

Strategic Analysis Lancashire

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Contents

Contents.....	0
Executive Summary	2
1 Introduction and Context	3
2 Economic Context	5
3 The Demand for Skills	6
4 The Supply of Skills	12
5 Provision and Participation	20
6 Employability & Worklessness.....	29
7 Lower Level Skills, Including Basic Skills	38
8 Level 2.....	44
9 Level 3.....	49
10 Higher Level Skills (Level 4+).....	53

Executive Summary

Overview

EKOS Consulting was commissioned by the North West Regional Skills Partnership (RSP) in August 2006 to develop a NW Statement of Skills Priorities to cover the period 2007/08 to 2009/10. The purpose of the Statement of Skills Priorities is to provide the region with a sound basis and rationale to guide the planning and purchasing of skills provision to meet the needs of employers and the economy in general. The Statement also articulates how the RSP will support the delivery of the Regional Economic Strategy.

The Regional Strategic Analysis report is the quantitative evidence base that underlies the North West Statement of Skills Priorities. It also acts as the evidence base for European social Fund (ESF) prioritisation and supports the Learning and Skills Council (LSC) planning and commissioning cycle. This sub-regional Strategic analysis report is designed to look at some key data on a district basis (where available) and to summarise some of the key data for the sub-region. It should be read in conjunction with the Regional report.

The economy

In terms of GVA per capital, at £13,389 in 2004, Lancashire is below the England and regional averages (£16,521 and £14,269 respectively). New business starts, at 33 per 10,000 adult population, is in line with the regional figure but well below the England average figure of 41.

Over 645,000 people are employed in the sub-region of Lancashire, an increase of 108,000 since 1996. Over this period, employment growth in the sub-region has been lower than that experienced in the region, but in line with the national average. In recent years, the pace of employment growth has actually been above regional and national averages. The sectors of greatest significance (by employment numbers) in Lancashire are manufacturing (17.8% of workforce), retail (17.6%) and health & social work (12.8%). The proportion of employment in manufacturing is well above the England average (12%).

The relatively high proportion of manufacturing employment is one reason for relatively low projections of future employment growth, given the further restructuring expected in the sector. The Working Futures forecasts show employment growth in Lancashire of 2.1% between 2004 and 2014

(cumulative growth), which translates into 14,000 new jobs. This growth rate is below that predicted for the North West region of 3%.

A key challenge for the region is to support the economy to grow at an above trend rate and to attract new jobs in non-traditional industries to the sub-region. Initiatives such as the proposed development of Blackpool have the potential to have a significant impact.

The rate of economic inactivity in Lancashire is below the regional average (22.8% v 23.4%). For people in the Indian ethnic group, the rate of inactivity at 43.1% is well above regional and national averages for that group (35.8% and 25.3%).

Skills

The workforce in Lancashire has a similar qualification profile to the England average – 45% are at Level 3 or above and 34% lack a Level 2 – comparator figures for England are 45% and 33%. However, employment in higher skilled occupations such as Professionals and Associate Professionals is below national rates, which is suggestive that the productivity gap is more to do with industrial mix than large scale skills gaps.

There are some specific skills needs to support economic growth in the sub-region. These are:

- Enhancing enterprise and entrepreneurship skills;
- Skills in tourism and hospitality in Blackpool;
- Construction skills - related to opportunities from Housing Market Renewal;
- Retail skills – due to major retail and leisure developments in the urban centres; and
- Higher level skills to support growth in the digital, information technology and science-based industries.

For young people entering the workforce, attainment rates are close to regional averages, but below national averages. The proportion of young people reaching Level 2 aged 19 in Lancashire is 67%, compared to 68% in the region and 70% in England.

This is partly a result of a relatively low post-16 participation rate – 71.3% in Lancashire, compared to 72.6% in the region and 74.2% in England. This is a particular issue in Blackpool, where the post-16 participation rate is just 66.3%. Linked to this, Blackpool has a high proportion of young people in the NEET group (13% v 8.6% in England).

1 Introduction and Context

1.1 Background and Purpose of the Sub Regional Strategic Analysis

EKOS Consulting (UK) Ltd, was commissioned by the North West Regional Skills Partnership in August 2006 to develop a NW Statement of Skills Priorities to cover the period 2007/08 to 2009/10. The purpose of the Statement of Skills Priorities is to provide the region with a sound basis and rationale to guide the planning and purchasing of skills provision to meet the needs of employers and the economy in general. The Statement also articulates how the RSP will support the delivery of the Regional Economic Strategy.

As part of the work, we have produced a Regional Strategic Analysis, which is the quantitative evidence base that underlies the NW Statement of Skills Priorities. It also acts as the evidence base for ESF prioritisation and supports the LSC planning cycle and the regional strategic commissioning document, which is due for completion in November 2006.

This report presents a sub-regional Strategic Analysis or evidence base for the Lancashire sub-region. It is primarily a quantitative report, with analysis conducted at the sub-regional and district level, where appropriate. Its purpose is to highlight the issues which are of particular importance for Lancashire.

1.2 Policy Background

The Regional Strategic Analysis sets out the national policy context and the recent focus on skills as being vitally important to improving productivity levels in the UK.

1.3 LSC Lancashire Priorities

In addition to working towards national Learning and skills council (LSC) priorities, each Local LSC produces an Annual Plan that focuses on issues that are specific to their areas. For Lancashire, the latest version of the plan (2005/06) highlights a number of local priorities to be addressed including target sectors. A brief summary is as follows:

- Improving the participation of young people to meet the Level 2 target:

- Contribute towards the national target by increasing the proportion of 19 year olds who achieve at least level 2 (equivalent of 5 GCSEs) by three percentage points between 2004 and 2006, and by a further two percentage points between 2006 and 2008.
 - Increase the volumes of learners enrolling and progressing from level 1 provision and increasing the number of young people undertaking a level 2 qualification and by increasing success rates.
 - Support Connexions in reducing the NEET group by a further 2 percentage points by 2010.
 - Improve Apprenticeship framework completions in line with national expectations. In 2003-4 full framework completion was 31% nationally (DfES first release) and 38% in Lancashire.
- Raising the level of skills for adults:
 - Improve the basic skills of a further 23,000 adults by 2007 in line with the 23,000 achieved between 2001 and 2004.
 - Support the national target of reducing, by at least 40%, the number of adults in the workforce who lack an NVQ level 2 or equivalent qualification by 2010. The LSC will lead on ensuring the delivery of this target through its own funding and contributions from others. In Lancashire, this means a further 32,000 adults achieving a level 2 qualification for the first time.
 - Increase the proportion of young people and adults achieving a level 3 qualification. These targets will be set regionally to reflect the priorities of regional skills partnerships and regional skills needs.
 - Work with Jobcentre Plus to accelerate access to advice, guidance and training for those adults who have not yet achieved a level 2.
 - Increase employer engagement:
 - Work with our colleges, work-based learning providers, Business Link and Jobcentre Plus to ensure there are effective local brokerage arrangements in place for employers.
 - Support colleges to improve their responsiveness to employers through the national 'Agenda for Change', plus local activity such as the Business Skills North West funded 'College Responsiveness Project.'

- Work to achieve the stretching targets for the Employer Training Pilot (ETP), achieving 4750 level 2 and 500 basic skills qualifications¹.
- Invest in facilities through our CoVE and provider network to ensure that we respond to the increasing skills needs in areas of employment growth.

¹ An ETP pilot has been running in Lancashire for some time.

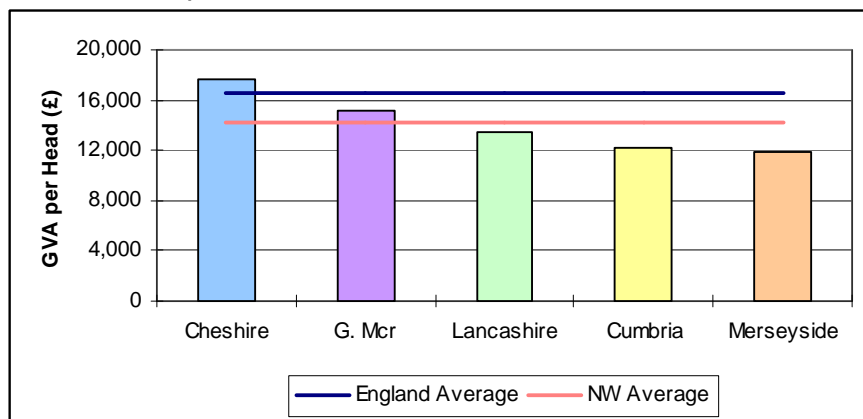
2 Economic Context

2.1 Productivity

Productivity in the economy is measured in terms of Gross Value Added – the value of the output produced. Gross Value Added per head gives an indication of the level of economic wealth of an area. Although GVA per head in the North West has increased substantially over the past six years, there remains a significant gap (13.3%) when compared to the England average. If levels of GVA per head could be raised to the England average, residents of the North West would be, on average, £2,280 better off than they are today.

The graph below shows GVA per head across the North West sub-regions. Lancashire is below the regional and national averages, with gaps of 6% and 19% respectively.

Gross Value Added per Head in the North West, 2003



Source: ONS

GVA per head is determined by a number of factors, including:

- The industrial base – much of the advantage that London possesses in terms of GVA per head is a result of its position as Europe’s leading financial centre. GVA per head is particularly high in this sector, because of the high level of financial capital per employee;
- The relative size of the working age population compared to the dependent population;
- Activity levels within the working age population;
- The skills levels of those in employment; and
- The number of hours worked by those in employment.

2.2 Enterprise

An important determining factor in the economic success of an area is the level of enterprise, or the rate of new business start up. This is typically measured by the rate of new VAT registrations. The table below shows VAT registrations per 10,000 people in the North West. Whilst the rate of business start up in Lancashire is identical to the regional average (33 new starts per 10,000 population per annum), this is well below the England average (41 new starts per 10,000).

New Starts / New VAT Business Registrations, 2004

2004	Total	New Starts	
		Per 10,000 adult pop'	Per 10,000 working age pop'
England	158,535	41	52
North West	17,640	33	43
Cheshire	2,875	42	57
Cumbria	1,190	31	41
Lancashire	3,750	33	43
G. Manchester	6,990	36	46
G. Merseyside	2,830	25	31

Source: VAT Registrations; Small Business Service, 2004

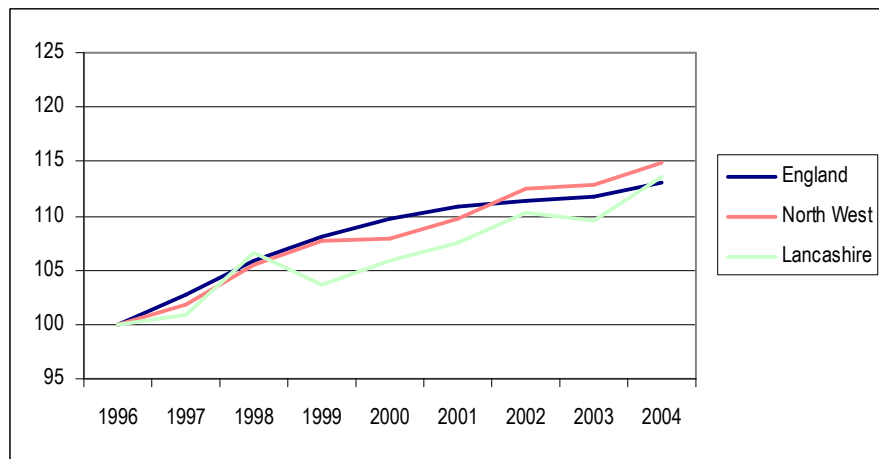
3 The Demand for Skills

3.1 Demand for Labour

Employment

Over 645,000 people are employed in the sub-region of Lancashire, an increase of 108,000 since 1996. Over this period, employment growth in the sub-region has been lower than that experienced in the region, but in line with the national average. This is largely a result of a dip in employment growth in Lancashire in 1998. In recent years, the pace of employment growth has been above regional and national averages.

Rate of Employment Change, 1996-2004 (100 = Baseline Comparator)



Source: Annual Business Inquiry; NOMIS, 1996-2004

Employment by sector

The changes in employment by sector since 1996 are shown in the table below. The sectors that continue to be of greatest significance (by employment numbers) in Lancashire are manufacturing (17.8% of workforce), retail (17.6%) and health & social work (12.8%).

Employment by Industrial Sector, 1996 & 2004

	Lancashire				England
	1996	%	2004	%	2004 %
Agriculture, forestry & fishing*	1,245	0.2	1,277	0.2	0.2
Mining and utilities	3,287	0.6	1,712	0.3	0.5
Manufacturing	129,750	24.1	108,461	17.8	12.0
Construction	19,130	3.6	36,118	5.9	4.5
Wholesale and retail trade	90,908	16.9	107,697	17.6	18.2
Hotels and restaurants	40,532	7.5	49,600	8.1	6.8
Transport and communication	26,271	4.9	25,909	4.2	6.1
Financial intermediation	13,791	2.6	12,270	2.0	4.1
Real estate and business activities	43,913	8.2	62,833	10.3	16.6
Public admin ¹ and defence	39,413	7.3	39,357	6.4	5.4
Education	39,501	7.3	62,226	10.2	9.2
Health and social work	64,683	12.0	77,923	12.8	11.4
Other community and personal services	25,238	4.7	25,089	4.1	5.1
Total	537,662	100	610,472	100	100

Source: Annual Business Inquiry; NOMIS, 1996, 2004

*In-depth DEFRA Agriculture employment figures unavailable

Recent employment growth was predominantly experienced across the two sectors of construction and education. Between 1996 and 2004, the rate of construction employment growth in Lancashire was more than double that seen in England. Employment in education also experienced major growth in the period with the number of jobs in the sector doubling in the period.

SIC2 Industrial Sectors with the Largest Employment Growth, 1996-2004

	Lancashire		England
	Change	% Change	% Change
Education	22,725	58	37
Construction	16,987	89	40
Retail & repair, exc' motor vehicles	13,670	25	26
Health and social work	13,239	20	21
Other business activities	9,624	29	29
Hotels and restaurants	9,067	22	22
Computer and related activities	4,878	135	75
Wholesale trade, exc' motor vehicles	4,056	18	5

Source: Annual Business Inquiry; NOMIS, 1996, 2004

Employment decline was concentrated in the manufacturing and mining & utilities industries, where more than 22,000 jobs were lost over the eight year period. Manufacturing employment did not decline on the same scale as nationally and the sector remains the highest employing sector in Lancashire with more than 180,000 people employed.

SIC2 Industrial Sectors with the Largest Employment Decline, 1996-2004

	Lancashire		England
	Change	% Change	% Change
Manufacture of paper products	-4,857	-53	-33
Manufacture of textiles	-4,279	-35	-51
Manufacture of other machinery	-3,265	-32	-27
Tanning and manufacture of leather goods	-2,699	-76	-74
Manufacture of other electrical machinery	-2,445	-47	-33
Manufacture of motor vehicles & trailers	-2,137	-30	-18
Manufacture of apparel, dyeing of fur	-2,104	-57	-70
Manufacture of rubber & plastic products	-1,669	-17	-16

Source: Annual Business Inquiry; NOMIS, 1996, 2004

Employment contraction was also more noticeable in the financial intermediation sector where the reduction over the period was in contrast to the employment growth experienced nationally. Similar patterns were seen in employment in the transport and communication, and other community and personal services, which both contracted over the period despite growth seen nationally. Sub-groups of these sectors were not amongst the highest declines though and are therefore not shown in the table above.

Occupational Structure

The table below shows the number of people employed in different occupations in Lancashire in 2005, and compares this to the profile for England. The key difference is the lower proportion of professional and associate professional jobs in Lancashire than in England.

Employment by Occupational Group in Lancashire, 2005

(SOC 2000)	Lancashire		England
	2005	%	% 2005
Managers & senior officials	97,000	15	15
Professional occupations	78,000	12	13
Associate prof & technical	80,000	12	14
Administrative & secretarial	88,000	14	13
Skilled trades	75,000	11	11
Personal services	53,000	8	8
Sales & customer services	59,000	9	8
Plant & machine operatives	53,000	8	7
Elementary occupations	70,000	11	12
		100	100

Source: Labour Force Survey, Quarterly Averages; NOMIS, 1996-2005

The Standard Occupational Classifications (SOC) changed in 2001/02, so that comparisons pre and post 2001 have to be undertaken with care. In the table below, we show changes in employment by occupational category between 1996-2001 and 2002-05.

Employment Change by Occupational Group, 1996-2001 & 2002-2005

Change 1996 - 2001 (SOC 1990)	Lancashire		England
	Change	% Change	% Change
Managers & administrators	3,000	3	8
Professional occupations	21,000	38	12
Assoc. prof & technical	13,000	25	22
Clerical, secretarial	-9,000	-9	5
Craft & related occupations	8,000	10	-2
Personal, protective	0	0	10
Sales	4,000	7	13
Plant & machine operators	-4,000	-6	-4
Other occupations	-1,000	-2	-3
Change 2002 - 2005 (SOC 2000)	Change	% Change	% Change
Managers & senior officials	9,000	10	10
Professional occupations	13,000	20	10
Associate prof & technical	-4,000	-5	3
Administrative & secretarial	2,000	2	-5
Skilled trades	-5,000	-6	-1
Personal services	0	0	8
Sales & customer services	1,000	2	3
Plant & machine operatives	-15,000	-22	-9
Elementary occupations	5,000	8	-3

Source: Labour Force Survey, Quarterly Averages; NOMIS, 1996-2005

Note: Data unavailable for 2001-02 due to a change in classifications. 1996-2001 & 2002-2005 covers an eight year period which is the same timescale as Employment Change by Industrial Sector.

Examining the changes in employment by occupation between 2002-05 confirms the picture of expanding opportunities for professionals and managers, whilst employment opportunities are in decline for those in the skilled trades and plant and machine operatives. In further detail, it is evident that:

- There have been significant increases in higher skilled occupations in Lancashire with a 20% increase in professional occupations (double the national growth rate) and a 10% increase in managers and senior officials.
- There has also been a significant increase in elementary occupations in Lancashire (+8%) in contrast to the national trend.

- The highest decline in both percentage and absolute terms has been in plant and machine operatives (-22%) and this is consistent with national trends, although the scale of the change is larger in Lancashire.

Employment by District

The Lancashire sub-region is composed of the two unitary authorities of Blackburn with Darwen, and Blackpool, plus the county of Lancashire. Examination of employment changes by sector over the period 1996 to 2004 highlights differences across the three geographies:

- All three areas enjoyed strong growth in construction employment, but the majority of the growth was in Lancashire where construction employment more than doubled.
- Blackpool experienced employment reductions in excess of 20% in the sectors of transport, storage and communications, public administration and defence, and other community and social services, declines far in excess of those experienced for the sub-region or the other areas.
- Blackburn with Darwen had much higher growth rates than the sub-region for employment in the sector of transport, communication and storage (36.9% versus -1.4%) and that of real estate, renting and business activities (60.6% versus 43.1%).

Examination of employment by occupation at the county/UA level also demonstrates variations across the geographies:

- Blackpool experienced large declines (-40%) or zero growth in the higher skilled occupations of managers and senior officials and professionals, compared with the positive growth achieved in the sub-region as a whole.
- Employment opportunities in the skilled trades declined for the sub-region as a whole, but the county of Lancashire experienced positive growth, with the creation of 3,000 jobs.

Employment Forecasts

The 2006 Working Futures report produced by the Institute of Employment Studies² gives some insights into the projected sector and occupational mix of the Lancashire economy to 2014. The economic model which underpins Working Futures is trend based, and so the model will miss significant regeneration or other initiatives underway or planned in specific areas. We address this in a separate section below through qualitative analysis of major projects underway or planned in the sub-region.

² Working Futures 2004-2014 Spatial Report (2006), Institute of Employment Studies

The Working Futures forecasts show employment growth in Lancashire of 2.1% between 2004 and 2014 (cumulative growth), which translates into 14,000 new jobs. However, this growth rate is relatively low and below that predicted for the North West region (3%).

Employment Change Forecasts by Sub-Region, 2004-2014

	Employment 2004 (000)	Employment 2014 (000)	Change (000)	Change (%)
Cheshire & Warrington	537	559	22	4.1%
Cumbria	235	239	4	1.7%
Greater Manchester	1318	1365	47	3.6%
Greater Merseyside	602	617	15	2.5%
Lancashire	666	680	14	2.1%
North West	3358	3459	101	3.0%

Source: Working Futures 2006

The table below shows forecast employment in Lancashire by sector to 2014.

Employment Change Forecasts by Industrial Sector, 2004-2014

	Employment		Change (2004 -2014)		North West Change
	2004 (000)	2014 (000)	(000)	(%)	(%)
Primary sector & utilities	10	10	0	0.0%	-11.1%
Manufacturing	119	106	-13	-10.9%	-11.0%
Construction	44	43	-1	-2.3%	-4.4%
Distribution, transport etc	190	195	5	2.6%	3.6%
Business & other services	124	137	13	10.5%	11.4%
Non-marketed services	179	189	10	5.6%	4.4%

Source: Working Futures, 2004

- Decreases in employment are forecast in the manufacturing and construction sectors with zero growth in primary sectors and utilities. Each decline is less than that experienced in the North West, in particular for primary sectors and utilities employment.
- Business and other services sector employment is forecast to grow the fastest at 10.5%, although this is forecast nearly 1% below the regional average.
- Non-marketed services is the only sector in which employment growth is forecast at a higher level than regionally, 5.6% versus 4.4%.

The table below shows forecast employment in the Lancashire sub-region by occupational group to 2014.

Employment Forecasts by Occupational Group, 2004-2014

	Employment		% of Total Employment		% Change (2004 – 2014)	North West % Change (2004 – 2014)
	2004 (000)	2014 (000)	2004	2014		
Managers & senior officials	92	100	13.8%	14.7%	8.7%	8.4%
Professionals	78	93	11.7%	13.7%	19.2%	18.4%
Associate professionals & technical	89	94	13.3%	13.8%	5.6%	5.5%
Admin, clerical, secretarial	79	74	11.8%	10.9%	-6.3%	-1.8%
Skilled trades	83	80	12.4%	11.7%	-3.6%	-5.3%
Personal services	54	67	8.1%	9.8%	24.1%	19.0%
Sales & customer services	53	58	8.0%	8.5%	9.4%	14.2%
Machine & transport operatives	62	57	9.2%	8.3%	-8.1%	-5.7%
Elementary	77	59	11.6%	8.6%	-23.4%	-21.9%

Source: Working Futures, 2004

Key points to note are:

- Growth in employment in the higher skilled occupations (managers, professionals, associate professionals) is expected to outstrip the forecast for the region.
- Personal services, and sales and customer services employment are also forecast to grow, the former at a higher rate than regionally.
- Employment is predicted to fall in both machine and transport operatives and elementary occupations, and at greater rates than regionally.

The table below shows forecast employment in Lancashire by gender and employment status to 2014.

Employment Forecasts by Gender, 2004-2014

	Employment		Change (2004 – 2014)		North West Change
	2004 (000)	2014 (000)	(000)	(%)	(%)
Male Full Time	263	280	17	6.5%	6.3%
Male Part Time	45	49	4	8.9%	17.5%
Female Full Time	145	140	-5	-3.4%	2.5%
Female Part Time	138	145	7	5.1%	0.9%
Self-employed	75	66	-9	-12.0%	-12.5%
Total					
Male	362	374	12	3.3%	4.5%
Female	304	306	2	0.7%	1.3%
Full Time	408	420	12	2.9%	5.0%
Part Time	183	194	11	6.0%	5.1%

Source: Working Futures, 2004

- Male, female, full and part time employment is forecast to grow, but only part time employment is forecast to exceed that of the region. This is accounted for by the high forecast growth in female part time employment (5.1% growth versus 0.9% for the region).
- Whilst female part time employment growth is predicted to be over five times greater than regionally, full time female employment is expected to fall by 3.4% - compared to regional expansion of 2.5%.
- Self employment is forecast to fall over the period, but at a lesser rate than regionally.

3.2 Major developments not taken into account in forecasts

Skills needs

A number of skills needs have been identified as priorities for Lancashire. Identified growth sectors include creative industries, aerospace and advanced manufacturing. Acceleration of the transition to higher value added manufacturing is defined as a priority, as is improving the productivity of the service sector and stimulating entrepreneurship, economic growth and building the knowledge economy. A proposed Manufacturing Skills Academy for the region has been designed to ensure the development of the necessary skills to ensure the future viability of the Aerospace sector within Lancashire.

Current skills needs have also been identified in:

- Enhancing enterprise and entrepreneurship;

- Skills in tourism and hospitality in Blackpool;
- Construction related opportunities, derived from Housing Market Renewal;
- Major retail and leisure developments in the Urban Centres; and
- Digital, information technology and science-based industries.

Economic developments/issues

Current regeneration plans in place include:

- Blackpool and its development as a world class resort destination; (see case study).
- Preston City Vision; £2 billion pounds of investment by 2021 will build upon the planned Tithebarn retail scheme and develop a central Commercial Quarter alongside a new residential and civic quarter. Preston RiverWorks will capture the latent potential of Preston's waterways for residential, leisure and tourism use. It is anticipated that 15,000 jobs will be created.
- Pennine Lancashire Transformation Agenda; includes the investment planned for the Elevate East Lancashire Housing Market Renewal programme, finding innovative solutions to problems of low demand, negative equity and housing market collapse. The delivery of the Pennine Lancashire Gateway Strategic Employment site and town centre investment in Blackburn and Burnley are key elements of the overall transformational agenda.

Sub regional case study: Tourism in Blackpool

Blackpool's development as a world class resort destination will be a key element in the development of the sub region. Blackpool's URC Master Plan aims to create a new and international sustainable year round destination based on balanced and healthy neighbourhoods. Over 50 projects are envisaged in total under the key themes of casino development, major town centre renewal, neighbourhood improvements, public realm (a return to nature and the illuminations) and better movement through an increase in parking and the new Tramways. The creation of 22,000 jobs is envisaged.

The planned conference and casino cluster will create around 6,500 jobs by 2010 (assuming that a casino licence is granted). The Government is expected to make its decision and announce the location of the first regional casino in the UK at the beginning of 2007. Development of Blackpool's central seafront is already underway and will create 900 new jobs. The Casino Training Alliance provides a collective and proactive response to the skills issues arising from the casino development and Blackpool and the Fylde College have established a Regional Gaming Academy.

The creation of a university style higher education campus on the central Blackpool site of Blackpool and the Fylde College will offer the opportunity to local people to develop skills relevant to the local economy in areas such as leisure, hospitality, engineering and management. Key outcomes will include an expanded central campus, an increase in work-ready graduates and increased participation in non-compulsory education.

4 The Supply of Skills

4.1 Introduction

This chapter looks at the supply of labour in Lancashire, both in terms of the volume of people available for work, and their skills levels. Levels of economic activity (or inactivity) are covered in detail in chapter 6.

4.2 Demographics

Population growth and location

The resident population in Lancashire increased by 30,729 or 2.2% between 1991 and 2001. This cumulative rate of growth was one of the highest of the North West sub-regions and compared to 0% population growth for the region as a whole. Between 2001 and 2005, the population grew by a further 1.7%, higher than rates for Cheshire & Warrington and Greater Merseyside but the same as the average rate for the region.

Total Population, 1991 - 2005

	1991	2001	% Change 1991 – 2001	2005	% Change 2001 - 2005
Cheshire & Warrington	832,900	864,864	+3.8%	874,600	+1.1%
Lancashire	1,383,998	1,414,727	+2.2%	1,439,200	+1.7%
Cumbria	483,163	487,609	+0.9%	498,900	+2.3%
Greater Manchester	2,499,441	2,482,328	-0.7%	2,547,600	+2.6%
Greater Merseyside	1,527,358	1,480,229	-3.1%	1,485,900	+0.4%
North West	6,726,860	6,729,764	0%	6,846,200	+1.7%
England	47,055,204	49,138,831	+4.4%	50,431,700	+2.6%

Source: ONS Census 1991, 2001, Mid Year Population Estimates 2005

The table below shows population growth in Lancashire by district between 1991 and 2005. Geographically, the largest percentage change in the last four years has been witnessed in the Ribble Valley at 5.4% or an increase of 2,940 people. In absolute terms, the largest growth has been in Wyre (4,282 people). In contrast to the sub-regional, regional and national trends, the district of Burnley has witnessed a decline in population between 2001-2005 of -2.1%.

Total Population by District, 1991 – 2005

	1991	2001	% Change 1991 - 2001	2005	% Change 2001 – 2005
Blackburn with Darwen	136,612	137,470	0.6%	140,200	2.0%
Blackpool	146,069	142,283	-2.6%	142,900	0.4%
Burnley	91,130	89,542	-1.7%	87,700	-2.1%
Chorley	96,504	100,449	4.1%	103,700	3.2%
Fylde	70,999	73,217	3.1%	76,400	4.3%
Hyndburn	78,390	81,496	4.0%	81,600	0.1%
Lancaster	123,856	133,914	8.1%	138,000	3.1%
Pendle	85,111	89,248	4.9%	89,300	0.1%
Preston	126,082	129,633	2.8%	131,300	1.3%
Ribble Valley	51,767	53,960	4.2%	56,900	5.4%
Rosendale	65,681	65,652	0.0%	66,000	0.5%
South Ribble	102,001	103,867	1.8%	105,800	1.9%
West Lancashire	107,978	108,378	0.4%	109,500	1.0%
Wyre	101,818	105,618	3.7%	109,900	4.1%

Source: ONS Census 1991 and 2001, Mid Year Population Estimates 2006

The age profile of the sub-region's working age population relative to the other North West sub-regions is shown in the table below. The age profile of the Lancashire working age population is most similar to that of the region although it does have a relatively low proportion of those aged 20-34 and a comparatively high proportion of those aged 50-64 years.

Age Profile of Working Age Population (% of Total), 2001

	16-19	20-34	35-49	50-59	60-64	Total
Cheshire & Warrington	7.2	28.3	36.6	21.5	8.4	552,903
Cumbria	7.2	27.1	34.1	22.4	9.2	306,346
Greater Manchester	8.1	32.7	32.6	19.1	7.5	1,585,596
Greater Merseyside	8.8	30.0	33.6	19.4	8.2	930,149
Lancashire	8.2	29.8	33.1	20.7	8.2	886,481
North West	8.1	30.5	33.3	20.1	8.0	4,261,475
England	7.7	31.8	33.3	19.6	7.6	31,429,250

Source: Census 2001

The age profile does differ somewhat within the sub-region, as shown in the table below. For the 16-24 age groups, Lancashire's more urban districts stand out as having relatively high proportions of this population. These districts are Blackburn with Darwen, Burnley, Lancaster and Preston. This is to be expected as these age groups are more likely to be attracted to urban living and the available work opportunities. In less urban districts, the effect is reversed with higher proportions of people of working age in the 50-59 and 60-64 brackets. Examples are Fylde, Ribble Valley and Wyre.

Age Profile of Working Age Population (% of Total), 2001

	16-19	20-34	35-49	50-59	60-64	Total
Blackburn with Darwen	9.1	33.2	32.8	18.0	6.9	84,478
Blackpool	7.0	28.9	32.6	21.7	9.7	87,554
Burnley	8.3	30.1	33.9	20.1	7.5	55,598
Chorley	7.1	28.7	34.0	22.3	7.8	66,316
Fylde	6.7	25.5	34.9	23.2	9.7	43,713
Hyndburn	7.8	31.3	33.3	19.6	7.9	50,584
Lancaster	10.2	32.4	30.4	19.2	7.7	85,156
Pendle	8.7	29.8	34.2	20.0	7.4	55,229
Preston	9.4	34.9	31.3	17.3	7.0	83,654
Ribble Valley	7.4	25.3	34.8	23.5	9.0	34,028
Rosendale	7.6	28.9	34.8	21.4	7.3	41,548
South Ribble	7.4	28.2	34.3	21.8	8.3	66,722
West Lancashire	8.2	27.4	33.2	22.3	9.0	69,430
Wyre	8.0	25.4	33.1	23.0	10.6	62,471

Source: Census, 2001

The table below illustrates population forecasts by district for the years 2005-2020. A number of districts are forecast to experience significant population increases but three stand out as being especially high; Ribble Valley (+14.7%); Wyre (+12.3%); and Fylde (+12.1%). The majority of districts are expected to have growth rates of 1% to 3% whereas the only district with a forecast population decline is Burnley. It is forecast that Lancashire's population as a whole will increase by 4.6%, by 2020.

Population Forecasts by District, 2005 – 2020

000s	2005	2010	2015	2020	% Change 2005 - 2020
Blackburn with Darwen	139.9	140.5	141.9	143.6	2.6
Blackpool	142.8	145.0	147.6	150.4	5.3
Burnley	87.6	85.6	84.5	83.7	-4.5
Chorley	103.3	106.5	109.7	112.8	9.2
Fylde	76.3	79.4	82.5	85.5	12.1
Hyndburn	81.9	82.4	83.3	84.3	2.9
Lancaster	136.0	137.3	138.0	138.9	2.1
Pendle	89.0	88.6	88.7	89.0	0.0
Preston	130.2	130.4	130.9	131.6	1.1
Ribble Valley	57.3	60.5	63.2	65.7	14.7
Rosendale	66.1	66.4	67.0	67.8	2.6
South Ribble	106.1	108.4	110.7	113.1	6.6
West Lancashire	109.5	110.7	111.7	112.6	2.8
Wyre	110.5	115.3	119.8	124.1	12.3
Lancashire	1,436.5	1,457.0	1,479.5	1,503.1	4.6

Source: ONS

Projected changes in the age profile by district are shown in the table below. The main points to note are:

- That the Districts show an ageing population by 2020, with the percentage of people aged 65+ growing markedly in several areas;
- For the 0-14 and 15-24 age groups, there are forecast to be significant population declines in all districts but especially in Fylde, Lancaster and Wyre; and
- Population levels within the 25-34 age bracket are expected to grow in almost all districts, in contrast to age groups that sit either side of it. The two districts that do not fit this pattern are Chorley and Ribble Valley

Population Forecasts by District and by Age Group, 2005 – 2020

	0-14	15-24	25-34	35-44	45-54	55-64	65+
Blackburn with Darwen	-4.5	-7.7	2.5	-16.8	9.4	13.4	13.9
Blackpool	-9.8	-4.0	11.1	-26.5	12.9	9.7	10.1
Burnley	-10.5	-14.9	9.8	-19.8	0.2	8.8	30.2
Chorley	-10.7	-17.6	-0.5	-19.3	3.3	-0.5	44.3
Fylde	-17.5	-12.8	4.8	-25.4	6.9	10.6	21.4
Hyndburn	-9.1	-7.4	9.1	-21.9	3.8	8.5	22.9
Lancaster	-14.9	-9.6	8.9	-29.4	8.5	13.0	26.1
Pendle	-9.7	-14.4	3.8	-17.5	-2.5	15.2	28.5
Preston	-7.4	-11.8	6.6	-17.2	9.0	15.7	15.0
Ribble Valley	-11.9	-8.5	-2.1	-26.0	12.0	7.7	26.5
Rossendale	-12.6	-12.5	5.9	-19.6	6.8	7.7	31.0
South Ribble	-9.7	-14.4	7.3	-21.4	1.7	2.5	32.6
West Lancashire	-9.3	-10.9	2.1	-26.7	2.2	4.7	35.1
Wyre	-14.4	-9.5	6.2	-27.6	7.4	7.7	20.6
Lancashire	-10.5	-11.2	5.3	-22.5	6.2	9.1	24.9

Source: ONS

4.3 Economic Activity

The number of economically active in Lancashire has increased by 0.5% in the last ten years³, and in 2005, the sub-region had a economic activity rate of 77.2%, slightly above the regional average but one percentage point lower than the national average. Within Lancashire, the Ribble Valley has the highest economic activity rate at 83.6% whilst the lowest is in Hyndburn at 72.4%.

³ Source: LFS Four Quarter Averages, 1995-2005

Economic Activity Rate, 2004 – 2005

	2004	2005	Percentage point change
England	78.3	78.4	0.1
North West	76.2	76.6	0.4
Lancashire LLSC	76.8	77.2	0.4
Blackburn with Darwen	73.7	73.0	-0.7
Blackpool	75.8	76.2	0.4
Burnley	74.4	73.8	-0.6
Chorley	80.0	82.5	2.5
Fylde	79.7	80.2	0.5
Hyndburn	75.5	72.4	-3.1
Lancaster	69.6	77.4	7.8
Pendle	73.0	74.8	1.8
Preston	75.6	72.5	-3.1
Ribble Valley	79.8	83.6	3.8
Rossendale	80.1	77.9	-2.2
South Ribble	84.2	83.3	-0.9
West Lancashire	78.8	80.0	1.2
Wyre	81.9	78.7	-3.2

Source: ONS; Labour Force Survey, 1995-2005 and Annual Population Survey, November 2005

The table below shows economic activity by age group in 2005 and compares the sub region to both the regional and the national average. Overall, Lancashire is similar to the North West average of economic activity in the 20-24 age group at 76.6% compared with the North West average of 76.8%. The North West average however, is higher than the average for England in this bracket, which is 75.2%. Other points to note about these figures include:

- Across all Lancashire districts, the economic activity rates are more likely to be below the England average in the older age groups (35-49, 50-retirement age, and above retirement age). This is especially the case for those between 50 and retirement age in Burnley.
- In contrast, economic activity rates for the 20-24 age group are higher than the national average in the majority of Lancashire districts. The exceptions to this are Hyndburn, Lancaster and Rossendale.

Economic Activity Rate by Age Group, 2005

	16-19	20-24	25-34	35-49	50 - retirement age	Above retirement age
England	56.8	75.2	83.5	85.0	73.3	10.3
North West	56.0	76.8	83.0	84.4	67.6	8.5
Lancashire LLSC	58.9	76.6	84.3	84.9	68.1	7.8
Blackburn with Darwen	54.9	75.7	79.6	77.6	64.7	5.9
Blackpool	63.7	76.5	83.4	81.3	67.0	5.9
Burnley	62.3	80.2	79.2	84.5	59.2	6.9
Chorley	65.8	81.9	87.6	91.1	72.8	12.5
Fylde	67.0	78.9	86.5	87.1	72.5	6.4
Hyndburn	62.2	71.1	76.5	81.7	60.4	6.3
Lancaster	66.3	67.4	86.4	86.3	72.1	7.2
Pendle	55.2	76.5	86.4	77.3	67.4	7.6
Preston	48.7	80.1	80.1	78.5	64.4	6.8
Ribble Valley	62.0	87.7	92.1	92.4	74.9	12.8
Rossendale	33.1	71.1	87.9	88.5	73.3	5.9
South Ribble	67.0	86.2	91.6	91.6	68.8	8.5
West Lancashire	57.4	80.2	84.9	88.8	71.0	8.4
Wyre	59.7	72.5	87.5	89.4	67.3	9.8

Source: ONS; Annual Population Survey, November 2005

The table below illustrates the economic activity rate by gender in 2005. Overall, Lancashire has rates for both sexes that fall between the regional and national averages. Rates for males are especially low in Hyndburn whereas for females, economic activity rates are lowest in Blackburn with Darwen.

Economic Activity Rate by Gender, 2005

	Male	Female
England	83.5	73.1
North West	80.7	72.2
Lancashire LLSC	81.2	72.9
Blackburn with Darwen	81.0	64.7
Blackpool	79.3	72.8
Burnley	76.9	70.7
Chorley	83.3	81.6
Fylde	82.8	77.4
Hyndburn	75.6	68.9
Lancaster	81.8	72.8
Pendle	81.8	67.1
Preston	78.9	65.7
Ribble Valley	87.4	79.2
Rossendale	80.4	75.2
South Ribble	82.2	84.4
West Lancashire	85.8	73.7
Wyre	82.5	74.6

Source: ONS; Annual Population Survey, November 2005

The table below illustrates rates of economic activity by disability. It is evident that the economic activity rates of those with disabilities in Lancashire tend to be between the North West and England averages. This is not the case for those with DDA recognition only though or for those with work-limiting disabilities only. In these occurrences, economic activity rates are higher in Lancashire than they are nationally or regionally.

Economic Activity Rate by Disability, 2005

	All Working Age	Disabled	DDA & Work-limiting	DDA only	Work-limiting only
England	78.4	55.1	38.2	84.8	74.9
North West	76.6	47.5	31.6	83.5	71.6
Lancashire LLSC	77.2	51.3	33.7	85.0	78.5
Blackburn with Darwen	73.0	45.3	29.6	84.2	63.1
Blackpool	76.2	47.6	34.8	83.9	61.3
Burnley	73.8	49.8	43.4	70.4	!
Chorley	82.5	64.8	46.9	74.9	100.0
Fylde	80.2	36.3	15.8	!	81.0
Hyndburn	72.4	38.3	25.0	!	87.4
Lancaster	77.4	64.8	41.1	94.5	80.2
Pendle	74.8	59.4	43.2	88.4	100.0
Preston	72.5	45.8	27.0	66.9	92.6
Ribble Valley	83.6	54.0	33.5	100.0	63.2
Rossendale	77.9	59.1	44.0	78.9	100.0
South Ribble	83.3	67.6	35.4	100.0	84.2
West Lancashire	80.0	43.9	25.3	80.2	45.5
Wyre	78.7	40.8	29.3	81.1	59.7

Source: ONS; Annual Population Survey, November 2005

4.4 Qualifications

It is not just the number of people available for work which affects the supply of and demand for labour in the North West. The quality of the labour, in terms of the skills and expertise available to employers, is also crucial especially so given the occupational profile that is emerging from recent employment growth.

Qualifications are often used as a proxy indicator for the skills of the workforce. The following chart shows the qualification profile of the working age population in England, the North West and the five sub regions. Whilst the qualifications profile of the regional working age population is very similar to the profile in England as a whole, there are considerable variations between the sub regions.

Lancashire has a relatively high proportion of its economically active population holding degree-level qualifications at 30%, above the regional average of 29.2%. It also has a relatively high proportion

with Level 3 qualifications. As in all sub-regions and nationally, a significant proportion of people are not qualified to Level 2 – 28.15 in Lancashire compared to 28.7% in the region and 28.5% nationally.

Qualification Profile of the Economically Active Population, 2005/06

	Level 4	Level 3	Level 2	No Level 2
England	30.7%	19.6%	21.2%	28.5%
North West	29.2%	20.5%	21.6%	28.7%
Cheshire & Warrington	35.7%	19.1%	20.4%	24.8%
Cumbria	26.8%	21.6%	24.2%	27.4%
Lancashire	30.0%	21.3%	20.7%	28.1%
Greater Manchester	28.2%	20.8%	21.9%	29.1%
Gtr Merseyside	26.9%	19.4%	22.1%	31.6%

Source: DfES, 2006

The qualification profile of the economically inactive population is shown below. As can be seen, a far higher proportion of the economically inactive are not qualified to Level 2.

Qualification Profile of the Economically Inactive Population, 2005/06

	Level 4	Level 3	Level 2	No Level 2
England	11.8%	15.5%	23.1%	49.6%
North West	9.3%	14.4%	22.3%	54.0%
Cheshire & Warrington	16.2%	16.7%	21.0%	46.1%
Cumbria	11.2%	9.8%	26.5%	52.4%
Lancashire	9.5%	15.7%	24.2%	50.6%
Greater Manchester	8.5%	14.2%	21.6%	55.7%
Gtr Merseyside	6.9%	13.8%	21.0%	58.3%

Source: DfES, 2006 EKOS estimates derived from figures for working age population and economically active population.

Low skills have an impact on employment opportunities, for example, of working age people in Lancashire with no qualifications, only 49% are in employment. This compares to an average employment rate in Lancashire of 74%.

Employment Rate by Qualification Attainment, 2005/06

	Level 4	Level 3	Level 2	< Level 2	No Quals	Overall
England	87.1%	78.0%	75.4%	72.7%	48.8%	74.7%
North West	87.9%	78.2%	74.4%	70.2%	45.3%	72.7%
C&W	87.2%	78.4%	78.0%	72.9%	56.8%	77.4%
Cumbria	86.4%	86.5%	78.4%	70.8%	50.8%	76.9%
G. Mcr	88.2%	78.2%	74.5%	70.0%	43.5%	72.1%
Lancashire	88.3%	78.4%	74.0%	70.7%	49.3%	73.9%
Merseyside	88.2%	74.9%	71.1%	68.2%	40.0%	68.3%

Source: Annual Population Survey

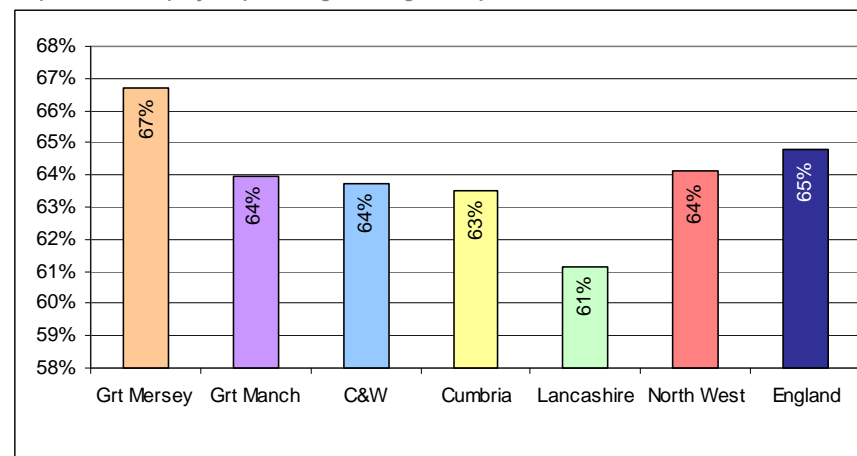
4.5 National Employer Skills Survey (NESS)

This section uses data from the National Employer Skills Survey 2005 to describe the training behaviour of employers in Lancashire, particularly with regard to the skills gaps they identify in their workforce, and skills related recruitment difficulties they face.

The National Employers Skills Survey 2005 (NESS 2005) was commissioned by the Learning and Skills Council together with the Department for Education and Skills and the Sector Skills Development Agency. Its purpose is to provide a detailed analysis of the extent and nature of skills gaps, recruitment problems and training activity.

The chart below shows the proportion of employers who provided training during the previous twelve months. At 61% of employers, the Lancashire figure is the lowest of all the North West sub-regional figures and is four percentage points below the national average.

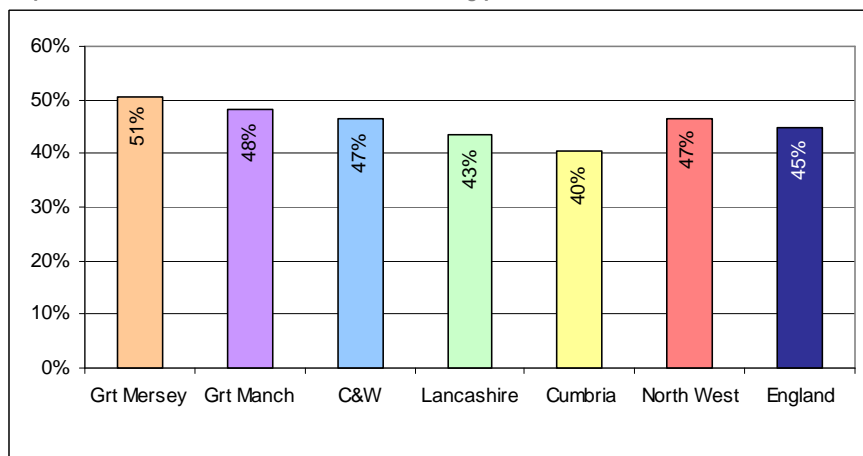
Proportion of Employers providing Training in the past 12 months



Source: NESS 2005

The figure below shows the proportion of employers with a formal training plan – this figure is 43% in Lancashire, slightly below the England average and relatively low compared to the North West sub regions.

Proportion of establishments with a formal training plan



Source: NESS 2005

The NESS survey asks employers about vacancies that they find difficult to fill due to skills deficits in candidates – skills shortage vacancies (SSVs). The table below shows the distribution of SSVs by occupation, in Lancashire and in the North West.

Distribution of Skills Shortage Vacancies by Occupation, Lancashire

	Lancashire		North West	
	Number	%	Number	%
Managers	112	3%	947	4%
Professionals	372	12%	1,611	6%
Associate professionals	411	13%	5,102	19%
Admin/clerical staff	167	5%	1,220	5%
Skilled trades staff	482	15%	6,027	23%
Personal service	411	13%	2,130	8%
Sales/customer service staff	392	12%	4,056	15%
Machine operatives	426	13%	2,358	9%
Elementary staff	341	11%	2,550	10%
Unclassified staff	104	3%	222	1%
Total	3,218	100%	26,223	100%

Source: NESS 2005

In Lancashire, the distribution of skills shortage vacancies is more balanced between occupations that regionally. The skills shortage vacancies are split relatively equally between higher and lower skilled occupations.

Compared to regional figures, employers in Lancashire report a higher than average level of SSVs in three of the main occupational categories – professionals, personal service, and machine operatives. The difference is most marked for the higher skilled, professional occupations with double the proportion of employers reporting skills shortage vacancies compared to regional levels. In the associate professional, skilled trades and sales / customer service occupational categories employers report a lower than average number of skills shortage vacancies. The difference is greatest for skilled trade and associate professional occupations for which the proportions of employers reporting SSVs are eight percentage points and six percentage points respectively, below the regional average.

The survey also asks about skills gaps in the existing workforce. This is shown in the table below. The distribution of skills gaps in Lancashire is relatively similar to the North West average and this is particularly true for managerial, professional, associate professional, personal service and elementary occupations. Lancashire does stand out with a high skills gap in the administrative/clerical group though (16% of employers reporting a skills gap compared to 10% for the North West). However, Lancashire performs well against the regional average in some occupations: skilled trades; sales / customer service; and machine operatives.

Distribution of Skills Gaps by Occupation, Lancashire

	Lancashire		North West	
	Number	%	Number	%
Managers	3,085	9%	14,890	9%
Professionals	1,110	3%	6,156	4%
Associate professionals	1,624	5%	9,361	6%
Admin/clerical	5,485	16%	17,144	10%
Skilled trades	2,889	8%	16,139	10%
Personal service	2,372	7%	10,817	7%
Sales/customer service	5,994	17%	31,498	19%
Machine operatives	4,571	13%	24,242	15%
Elementary	7,344	21%	34,738	21%
Total	34,474	100%	164,984	100%

Source: NESS 2005

5 Provision and Participation⁴

5.1 Introduction

This chapter looks at participation in learning/skills development in Lancashire, and the quality of provision, as measured by success rates and inspection scores. It focuses on learners whose main learning aim is a long course (greater than 24 weeks). The focus of this section is on post-compulsory education for young people and adults, excluding higher education which is covered in Chapter 10.

5.2 Young People

Post-16 participation

The proportion of young people in Lancashire who remained in full-time education or training after leaving school aged 16 is 71.3%, lower than the North West average of 72.6%, and in turn, this is below the England average of 74.2%⁵. The table below shows figures for each Local Education Authority (LEA) within the sub-region.

Proportion of School Leavers in Lancashire in Full-Time Education, 2005

Area	% in full time education	Gap with England average (% pts)
England	74.2%	
North West	72.6%	-1.6%
Lancashire	71.3%	-2.9%
Blackburn with Darwen	71.5%	-2.7%
Blackpool	66.3%	-7.9%
Lancashire	71.9%	-2.3%

Source: Connexions

⁴ We have not included an analysis of Adult and Community Learning. ACL is particularly important for addressing worklessness and has an important role to play in re-engaging people into learning.

⁵ Figures exclude young people in full time employment. The Learning Agreement Pilot is one initiative which seeks to increase young peoples' participation.

Within the Lancashire sub-region, the proportions of young people in full time education range from 66.3% in Blackpool LEA to 71.9% in Lancashire LEA.

Further Education (FE)

FE Participation Rates

The table below shows how participation of young people in the FE sector in Lancashire has changed over the last four years. For Lancashire as a whole, participation has increased by 10%.

FE Participation: Number of Learners (16-18 year olds)

FE 16-18	02/3	03/4	04/5	05/6	Change
Number of learners					
Lancashire	24,324	24,477	25,174	26,681	2,357
Blackburn with Darwen	3,134	3,132	3,182	3,230	96
Blackpool	2,398	2,363	2,584	2,609	211
Fylde	782	795	850	883	101
Wyre	1,564	1,552	1,775	1,884	320
Burnley	1,491	1,480	1,507	1,596	105
Hyndburn	1,470	1,414	1,524	1,655	185
Pendle	1,851	1,824	1,823	1,815	-36
Ribble Valley	776	701	725	810	34
Rossendale	835	901	953	996	161
Preston	2,562	2,622	2,632	2,673	111
South Ribble	1,910	2,070	2,212	2,163	253
West Lancashire	2,202	2,178	2,034	2,149	-53
Chorley	1,856	1,913	1,922	1,963	107
Lancaster	1,493	1,532	1,451	2,255	762
% growth					
Lancashire		1%	3%	6%	10%
Blackburn with Darwen		0%	2%	2%	3%
Blackpool		-1%	9%	1%	9%
Fylde		2%	7%	4%	13%
Wyre		-1%	14%	6%	20%
Burnley		-1%	2%	6%	7%
Hyndburn		-4%	8%	9%	13%
Pendle		-1%	0%	0%	-2%
Ribble Valley		-10%	3%	12%	4%
Rossendale		8%	6%	5%	19%
Preston		2%	0%	2%	4%
South Ribble		8%	7%	-2%	13%
West Lancashire		-1%	-7%	6%	-2%
Chorley		3%	0%	2%	6%
Lancaster		3%	-5%	55%	51%

Source: LSC

FE Success Rates

The success rate is a qualification based measure which calculates the number of qualifications achieved as a proportion of qualifications started. Success rates are generally higher for short courses (less than 24 weeks' duration) than long courses (greater than 24 weeks duration). It is long course success rates that are of greatest interest, since these relate to more substantial qualifications. Success rates for long course qualifications taken by 16-18 year olds in FE institutions in the North West are displayed below.

Young People (16-18): FE Long Course Success Rates by Level, 2004

	Below Level 2	Level 2	Level 3	Level 4+
England	64%	63%	75%	50%
North West	65%	66%	77%	58%
Cheshire & Warrington	66%	64%	81%	!
Cumbria	63%	63%	76%	!
Lancashire	64%	68%	77%	!
G. Manchester	68%	68%	79%	!
G. Merseyside	62%	61%	72%	!

Source: LSC ! = data suppressed due to small sample size

As shown, success rates for qualifications taken by 16-18 year olds in Lancashire are the same as or above the regional and national averages at all levels of provision.

Within levels, participation numbers and success rates show significant variation according to the sector subject area of the courses. In the appendix, tables A to D compare success rates for Lancashire and England⁶. Points to note for Lancashire are that:

- Below level 2, the Preparation for Life and Work subject accounts for nearly one third of 16-18 year olds taking below level 2 courses in Lancashire. The success rate for this subject is two percentage points above the England average. Overall, there are only four subjects that have success rates above their equivalent England averages.
- For Level 2, the three most significant subjects in Lancashire by participation numbers are: Retail and Commercial Enterprise; Health, Public Services and Care; and Preparation for Life and Work. Whilst the success rate in Lancashire for retail courses is slightly below the equivalent national average, performance for the latter two subjects are 7 and 18

⁶ All success rates are for long courses. Level 4 success rates for 16-18 year olds not shown because of the small numbers of learners.

percentage points above the England scores respectively. The majority of subjects in Greater Manchester have rates above the national average.

- The two most significant subjects in 2005/06, by participation number at Level 3, are: Arts, Media and Publishing; and Science and Mathematics. Success rates for these subjects are zero and three percentage points above the England averages respectively.

Work Based Learning (WBL)

WBL Participation

The table below shows how participation of young people in the WBL sector has changed over the last four years in the Lancashire districts.

WBL Participation: Number of Learners (16-18 year olds)

WBL 16-18	02/3	03/4	04/5	05/6	Change 02/3-05/6
Number of learners					
Lancashire	6,646	7,197	7,408	7,211	565
Blackburn with Darwen	673	755	729	717	44
Blackpool	622	729	725	687	64
Fylde	243	247	287	283	40
Wyre	496	543	598	607	111
Burnley	515	558	529	517	2
Hyndburn	489	507	467	450	-39
Pendle	436	517	480	471	35
Ribble Valley	263	281	343	346	83
Rossendale	307	334	369	371	64
Preston	586	609	644	572	-14
South Ribble	552	590	639	612	60
West Lancashire	476	494	531	506	30
Chorley	493	493	513	509	15
Lancaster	493	540	556	563	70
% growth					
Lancashire		8%	3%	-3%	9%
Blackburn with Darwen		12%	-3%	-2%	7%
Blackpool		17%	-1%	-5%	10%
Fylde		2%	16%	-1%	17%
Wyre		9%	10%	2%	22%
Burnley		8%	-5%	-2%	0%
Hyndburn		4%	-8%	-4%	-8%
Pendle		18%	-7%	-2%	8%
Ribble Valley		7%	22%	1%	32%
Rossendale		9%	10%	1%	21%
Preston		4%	6%	-11%	-2%
South Ribble		7%	8%	-4%	11%
West Lancashire		4%	7%	-5%	6%
Chorley		0%	4%	-1%	3%
Lancaster		9%	3%	1%	14%

Source: LSC

Whilst work based learning participation by 16-18 year olds has risen at a rate of 9% for Lancashire overall, rates of change have been significantly higher in Ribble Valley (32%). In contrast, Hyndburn and Preston have experienced declines over the period (-8% and -2% respectively).

WBL Success Rates

WBL success rates are calculated in a similar way to FE success rates. Success rates for qualifications taken by 16-18 year olds in WBL are shown below for level 2 and level 3 qualifications.

Young People (16-18): WBL Success Rates (full framework) by Course Level

	Level 2			Level 3		
	03/04	04/05	05/06	03/04	04/05	05/06
England	31%	41%	54%	36%	41%	56%
North West	30%	40%	53%	37%	42%	59%
Cheshire & Warrington	30%	40%	52%	39%	46%	56%
Cumbria	36%	47%	53%	53%	57%	65%
Lancashire	37%	46%	56%	46%	53%	64%
G. Manchester	N/A	41%	48%	33%	38%	57%
G. Merseyside	23%	37%	47%	N/A	36%	53%

Source: LSC

In Lancashire, Level 2 WBL success rates have consistently been above those for England and for the North West. For Level 3 courses, Lancashire has improved significantly over the past three years and also continues to have a success rate that is above regional and national averages.

School Sixth Forms

The table below shows how participation of young people in school sixth forms in Lancashire has changed over the last three years.

Sixth Form Participation: Number of Learners (16-18 year olds)

School Sixth Form 16-18	02/3	03/4	04/5	Change 02/3-04/5
Number of learners				
Lancashire	4,772	4,899	5,120	348
Blackburn with Darwen	301	340	360	59
Blackpool	199	230	205	6
Fylde	436	450	460	24
Wyre	338	346	339	1
Bumley	490	478	480	-10
Hyndburn	143	133	145	2
Pendle	190	221	230	40
Ribble Valley	376	401	411	35
Rossendale	544	522	581	37
Preston	117	105	80	-37
South Ribble	130	133	145	15
West Lancashire	292	249	306	14
Chorley	38	37	32	-6
Lancaster	1,178	1,254	1,346	168
% growth				
Lancashire		3%	5%	7%
Blackburn with Darwen		13%	6%	20%
Blackpool		16%	-11%	3%
Fylde		3%	2%	6%
Wyre		2%	-2%	0%
Bumley		-2%	0%	-2%
Hyndburn		-7%	9%	1%
Pendle		16%	4%	21%
Ribble Valley		7%	2%	9%
Rossendale		-4%	11%	7%
Preston		-10%	-24%	-32%
South Ribble		2%	9%	12%
West Lancashire		-15%	23%	5%
Chorley		-3%	-14%	-16%
Lancaster		6%	7%	14%

Source: DfES

Overall, Lancashire has experienced a 7% increase in sixth form participation between 2002/03 and 2004/05, and this compares to a change of 0% at the regional level and +6% for England. Within the sub region, there is greater variation. For example, Preston has experienced a change of -32% whilst participation in Pendle has increased by 21% over the period.

The table below shows the education routes of young people as a proportion of all 16-18 year olds in education in 2004/05.

Education Route: as a Proportion of All Young People (16-18) in Full Time Education, 2004/05

Area	FE	Sixth Form	WBL	All in FT Education
Cumbria	44%	32%	25%	100%
Lancashire	67%	14%	20%	100%
Greater Merseyside	51%	28%	21%	100%
Greater Manchester	72%	10%	18%	100%
Cheshire and Warrington	52%	31%	16%	100%
North West	62%	19%	19%	100%
England	56%	28%	15%	100%

Source: DfES, LSC (EKOS estimates)

There is considerable variation across the sub regions. In England, 56% of 16-18 year olds are in FE institutions, 28% are in school sixth forms, and 15% are in WBL. In Lancashire, the relatively high proportion in FE (67%) is balanced by the relatively low number at sixth forms (14%). The proportion of young people choosing work based learning in Lancashire is similar to the regional average and both of these are above the rate for England.

5.3 Adults (19+)

FE Participation

The table shows how participation of adults in the FE sector has changed over the last four years.

FE Participation: Number of Learners (Adults)

FE 19+	02/3	03/4	04/5	05/6	Change
Number of learners					
Lancashire	101,483	88,223	85,791	69,282	-32,201
Blackburn with Darwen	10,647	8,903	8,613	8,159	-2,488
Blackpool	10,651	8,220	8,783	6,258	-4,393
Fylde	4,627	3,833	3,744	2,811	-1,816
Wyre	6,799	5,869	5,704	4,318	-2,481
Burnley	5,930	5,011	5,215	4,233	-1,697
Hyndburn	5,586	4,703	4,801	4,202	-1,384
Pendle	6,016	5,238	5,197	4,399	-1,617
Ribble Valley	3,367	2,862	2,725	2,325	-1,042
Rossendale	4,704	4,016	3,852	3,092	-1,612
Preston	9,990	9,072	9,167	7,352	-2,638
South Ribble	6,935	6,411	6,334	4,772	-2,163
West Lancashire	8,415	7,311	6,146	4,605	-3,810
Chorley	6,319	5,825	5,569	4,223	-2,096
Lancaster	11,497	10,949	9,941	8,533	-2,964
% growth					
Lancashire		-13%	-3%	-19%	-32%
Blackburn with Darwen		-16%	-3%	-5%	-23%
Blackpool		-23%	7%	-29%	-41%
Fylde		-17%	-2%	-25%	-39%
Wyre		-14%	-3%	-24%	-36%
Burnley		-15%	4%	-19%	-29%
Hyndburn		-16%	2%	-12%	-25%
Pendle		-13%	-1%	-15%	-27%
Ribble Valley		-15%	-5%	-15%	-31%
Rossendale		-15%	-4%	-20%	-34%
Preston		-9%	1%	-20%	-26%
South Ribble		-8%	-1%	-25%	-31%
West Lancashire		-13%	-16%	-25%	-45%
Chorley		-8%	-4%	-24%	-33%
Lancaster		-5%	-9%	-14%	-26%

Source: LSC

In England, adult participation has fallen in each of the past three years, with a particularly significant drop between 2004/05 and 2005/06, reflecting funding pressures on the adult participation budget. Adult participation in the North West has also fallen, and generally at a faster rate. With the exception of Cheshire & Warrington, the proportionate reduction in adult learner volumes over the past three years in the North West sub-regions has exceeded the England average.

Lancashire has experienced a 32% reduction in learner numbers over the period, and this is higher than the England average but lower than the North West figure. This equates to 32,201 fewer learners in the Lancashire in 2005/06 compared to 2002/03.

FE Success Rates

Success rates for long course qualifications taken by adults in FE are shown below.

Adults (19+): FE Success Rates by Course Level, 2004

	Below Level 2	Level 2	Level 3	Level 4+
England	61%	60%	57%	50%
North West	62%	61%	59%	51%
Cheshire & Warrington	69%	63%	63%	61%
Cumbria	64%	64%	65%	63%
Lancashire	56%	62%	54%	44%
G. Manchester	60%	59%	59%	51%
G. Merseyside	65%	62%	61%	53%

Source: LSC

As is the case for young people, success rates for adults in North West institutions compare favourably to the England average. This is similarly true for Lancashire at level 2. However, success rates for level 3, level 4+ and <level 2 are below both the national and regional averages.

Within levels, participation numbers and success rates show significant variation according to the sector subject area of the courses. In the appendix, tables E to H compare success rates for Lancashire and England⁷. Points to note for Lancashire are that:

- Below level 2, there are three subjects that dominate learning provision numbers: Preparation for Life and Work; ICT; and Languages, Literature and Culture. In 2004, Languages, Literature and Culture had a success rate that was three percentage points

⁷ All success rates are for long courses.

above the England average. Success rates for the other two subjects fall below national levels.

- At level 2, there are five subject areas that had participation numbers greater than 1,000 in 2005/06, although Health, Public Services and Care stands out with a figure of 3,310. The success rate for this subject in Lancashire is the same as the national equivalent.
- At level 3, by far the most significant subject by participation number is; Health, Public Services and Care (2,867 long course participants in Lancashire in 2005/06). The success rate for this course is 55%, four percentage points below the national average.
- The three most significant subjects, by participation number, at level 4+ are; Business, Administration and Law; Health Public Services and Care; and Education and Training. The success rate for the first of these is above the equivalent national averages whereas rates for the other two are lower.

Work Based Learning (WBL)

WBL Participation

The table below shows how participation of adults in WBL in Lancashire has changed over the last four years.

WBL Participation: Number of Learners (Adults), 2002/03 – 2005/06

WBL 19+	02/3	03/4	04/5	05/6	Change 02/3 - 05/6
Number of learners					
Lancashire	3,050	3,263	3,379	3,024	-26
North West	16,857	17,878	17,575	16,398	-459
England	100,013	111,125	106,962	101,101	1,088
% growth					
Lancashire		7%	4%	-10%	-1%
North West		6%	-2%	-7%	-3%
England		11%	-4%	-5%	1%

Source: LSC

Between 2002/03 and 2005/06, WBL participation has increased by 1% in England, compared to a decline of 3% in the North West. Numbers have fallen in all sub regions except Cheshire and Warrington whilst Cumbria has seen a significant reduction in numbers of 16% over the period. Lancashire has experienced a small decline of -1% and this equates to 17 fewer people taking WBL courses in 2005/06 compared to 2002/03.

WBL Participation: Number of Learners (Adults), 2003/04 – 2005/06

WBL 19+	03/4	04/5	05/6	Change 03/4-05/6
Number of learners				
Lancashire	3,263	3,379	3,024	-240
Blackburn with Darwen	353	354	301	-52
Blackpool	357	372	329	-28
Fylde	140	158	180	40
Wyre	219	226	217	-2
Burnley	229	256	226	-3
Hyndburn	207	220	193	-15
Pendle	215	227	188	-27
Ribble Valley	126	121	88	-38
Rossendale	155	165	143	-11
Preston	255	248	245	-10
South Ribble	228	229	215	-13
West Lancashire	288	307	242	-45
Chorley	233	224	209	-24
Lancaster	260	272	249	-11
% growth				
Lancashire		4%	-11%	-7%
Blackburn with Darwen		0%	-15%	-15%
Blackpool		4%	-12%	-8%
Fylde		13%	14%	29%
Wyre		4%	-4%	-1%
Burnley		12%	-12%	-1%
Hyndburn		6%	-12%	-7%
Pendle		5%	-17%	-13%
Ribble Valley		-4%	-27%	-30%
Rossendale		7%	-13%	-7%
Preston		-3%	-1%	-4%
South Ribble		1%	-6%	-6%
West Lancashire		7%	-21%	-16%
Chorley		-4%	-7%	-10%
Lancaster		5%	-9%	-4%

Source: LSC

Over the past three years, data is available at district level in Lancashire. From the table above, it can be seen that almost all districts have experienced declining numbers over the period, excluding the district of Fylde which has actually seen a large increase.

WBL Success Rates

WBL success rates are calculated in a similar way to FE success rates. Success rates for qualifications taken by adults in WBL are shown below.

Adults: WBL Success Rates (full framework) by Course Level

	Level 2			Level 3		
	03/04	04/05	05/06	03/04	04/05	05/06
England	29%	40%	53%	30%	35%	50%
North West	29%	38%	54%	27%	30%	47%
Cheshire & Warrington	33%	41%	47%	N/A	36%	50%
Cumbria	33%	44%	53%	36%	40%	58%
Lancashire	N/A	40%	57%	N/A	37%	48%
G. Manchester	26%	35%	51%	27%	28%	44%
G. Merseyside	29%	36%	46%	25%	27%	42%

Source: LSC

WBL success rates at Level 2 in the North West have fluctuated around the England average over the past three years and are now slightly higher than the national rate. In 2005/06, Lancashire had the highest success rate of any of the North West sub-regions at 57%. In comparison, the most recent WBL success rate in Lancashire at Level 3 falls between the England and North West averages at 48%.

5.4 Participation and Success rates by Learner Characteristics

The purpose of this section is to investigate the extent to which FE and WBL participation and success rates vary by learner characteristics, including gender, ethnic group, and disability.

Chapter 5 of the Regional Strategic Analysis contains a detailed analysis of participation but there are a number of specific points to note for Lancashire:

- Nationally and regionally, males are more likely to take FE courses at both 16-18 year old and adult levels. This is true at the sub regional level too and relative to other sub regions, this imbalance is high in Lancashire for 16-18 year olds. For adults in FE,

Lancashire has a gender mix that is more equal than it is at the regional and national scale.

- Similarly, the female:male ratio of those in WBL is more imbalanced than it is at the regional scale with significantly more males participating in WBL than females (Lancashire = 1:1.7, North West = 1:1.4)
- By ethnicity, participation rates in Lancashire are higher than the national averages for White, Chinese and especially Asian/British Asian ethnic groups. The Black/Black British group has a lower than national average participation rate.

Success Rates

For FE, we also have data available to compare success rates of learners with different characteristics. The LSC Data Team provided EKOS with breakdowns of FE long course success rates for 16-18 year olds and adults by level, according to the following characteristics:

- Gender (male and female);
- Ethnicity (white and non-white);
- Deprivation (entitled to Disadvantage Uplift⁸, not entitled).

A summary of the main points from a comparison of success rates for learners with different combinations of characteristics (by age and level) is shown below for Lancashire. Detailed data tables for Lancashire are in the appendix, table I onwards.

⁸ Disadvantage Uplift is an element of additional funding that can be claimed by institutions if a learner is resident in a post code with low incomes, or is claiming benefit.

Analysis of Success Rates (Long Courses) by Disadvantage, Ethnicity and Gender: Summary of Key Points

Age of Learner and Level of Course	Points to note (all relate to 04/5 unless stated)
16-18 Level 1	In 04/5, the success rate on courses taken by Non-White Females not entitled to Disadvantage Uplift is 9% points below the regional average for this group. The success rate on courses taken by White Males is 9% points above that for Non-White Males.
16-18 Level 2	In 04/5, the success rate on courses taken by White Females entitled to Disadvantage Uplift is 9% points above that of White Females not entitled to this allowance. The success rate on courses taken by Non-White Females is 8% points above that of Non-White Males.
16-18 Level 3	In 04/5, the success rate on courses taken by White Females entitled to Disadvantage Uplift is 11% points below that of White Females not entitled to this allowance. The success rate Non-White Females is 9% points higher than for Non-White Males.
Adult Level 1	The success rate on courses taken in 04/5 by Non-White Females entitled to Disadvantage Uplift is 12% points higher than that of Non-White Males entitled to this allowance. The success rate on courses taken by Non-White Females overall is 11% points above that of Non-White Males. The success rate of the latter is 10% points below the regional average for Non-White Males.
Adult Level 2	In 04/5, the success rate on courses taken by Non-White Males is 10% points lower than for Non-White Females. Further, the success rate on courses taken by Non-White Males entitled to Disadvantage Uplift is 11% points lower than for Non-White Females entitled to this allowance.
Adult Level 3	The success rate on courses taken in 04/5 by Non-White Females is 9% points higher than for White Females. The success rate on courses taken by Non-White Females is also 18% points higher than for Non-White Males.
Adult Level 4	Taking into account that some numbers, in particular for Non-White Learners, are small for the sub-region: In 04/5 the success rate on courses taken by Females is 11% points higher than for Males. The success rates on courses taken by Males and Females are both below regional averages (7% points lower for both Males and Females).

Source: EKOS analysis of LSC data. Note: all comparisons relate to 04/05 data.

5.5 Independent Quality Assessment: Inspection

The Regional Strategic Analysis contains an analysis of FE College inspection scores from the 2001/02 to 2005/06 inspection cycle. Within the 'Leadership and Management' category, colleges in Lancashire are slightly weaker than the North West average score (2.3 against 2.2 – a lower score denotes a better result).

The inspections also grade each curriculum area. For all colleges inspected, the table below shows the number of curriculum areas graded as 'Poor' (4) or 'Unsatisfactory' (5). Lancashire has a relatively low incidence of poor or unsatisfactory provision, with only 3 of the 101 curriculum areas scored being graded 4 or 5, equivalent to 3% of provision⁹.

Inspection Scores for Curriculum Areas - % Poor or Unsatisfactory, 2001/02 - 2005/06

Area	Total scores awarded	Poor / Unsatisfactory	
		Number	%
Cheshire & Warrington	56	0	0%
Cumbria	27	2	7%
Greater Manchester	120	5	4%
Greater Merseyside	87	9	10%
Lancashire	101	3	3%
North West	391	19	5%

Source: EKOS analysis of OfSTED data provided by the LSC

Work based learning providers are inspected by the Adult Learning Inspectorate. Of the WBL providers in the North West, as well as nationally, a large number required a full re-inspection after an initial poor inspection. In the past two years, the LSC has reduced the number of WBL providers with which it contracts and the quality in the sector has improved, as shown by the significant improvements in success rates.

⁹ This does not mean that 3% of learners are in poor or unsatisfactory provision though, since we do not know the number of learners in each college/curriculum area combination graded 4 or 5.

5.6 Issues and Conclusions

Key points to note for Lancashire are

- The proportion of young people in Lancashire who remained in full-time education after leaving school aged 16 is 71.3%, lower than the North West average of 72.6%, and in turn, this is below the England average of 74.2%. A low rate of staying on is a particular issue in Blackpool.
- Young people's participation is increasing cross all routes. However, female participation in WBL remains below the regional average.
- Success rates in the sub-region's FE and WBL institutions for qualifications taken by 16-18 year olds are above national averages.
- The FE sector in Lancashire has seen a 32% reduction in adult learner numbers over the period – a greater decline than the England average, but lower than the North West figure.

6 Employability & Worklessness

6.1 Employment, unemployment and economic inactivity

Of the working age population in the North West:

- 72.6% are in employment;
- 4.0% are unemployed; and
- 23.4% are economically inactive.

Whereas, of the working age population in Lancashire:

- 73.5% are in employment;
- 3.7% are unemployed; and
- 22.8% are economically inactive.

The table below shows the employment, unemployment and economic inactivity rates for England, the North West and each of the sub regions.

Employment Status of Working Age Population (by %), 2005

	Economically Active		Economically Inactive	Working Age Population
	Employed	Unemployed		
England	74.6%	3.9%	21.6%	100%
North West	72.6%	4.0%	23.4%	100%
Cheshire & Warrington	77.7%	2.7%	19.6%	100%
Cumbria	76.2%	3.1%	20.7%	100%
Lancashire	73.5%	3.7%	22.8%	100%
G. Manchester	72.0%	4.2%	23.7%	100%
G. Merseyside	68.4%	5.0%	26.6%	100%

Source: Annual Population Survey, December 2005

Lancashire has an employment rate of 73.5%, a rate that is higher than the regional average but below the national average. Similarly, rates of unemployment and of economic inactivity in Lancashire fall between the regional and national averages. Converted into population numbers, the

table below shows that 628,700 people are in employment, 31,900 are unemployed and 195,000 are economically inactive in Lancashire.

Employment Status of Working Age Population (by number), 2005

	Economically Active		Economically Inactive	Working Age Population
	Employed	Unemployed		
England	22,776,000	1,177,400	6,582,100	30,535,500
North West	2,975,300	164,500	959,800	4,099,600
Cheshire & Warrington	412,400	14,300	104,000	530,700
Cumbria	220,900	9,000	60,100	290,000
Lancashire	628,700	31,900	195,000	855,600
G. Manchester	1,109,500	65,000	365,600	1,540,100
G. Merseyside	603,800	44,200	235,100	883,100

Source: Annual Population Survey, December 2005

To improve its economic performance, the North West needs to increase the proportion of working age people in employment, especially those who are currently economically inactive. To enable effective targeting of individuals, to ensure they get the support they need to enter employment, it is important to understand the key characteristics of the unemployed and inactive groups. The next sections look at the characteristics of these groups in detail.

6.1.1 The Unemployed

The unemployment figure for the North West is 164,500 and of this, Lancashire accounts for 31,900 people. Detailed analysis of the unemployed can be found in the regional version of the strategic analysis but for this report, the section below highlights the key points for Lancashire.

- By gender, unemployment rates are consistently higher for males than for females across regions. In England, the rate is 5.3% for males and 4.5% for females (as a % of the economically active). This compares to 5.8% and 4.5% respectively for the North West. Continuing to the sub regional scale, the unemployment rate for males in Lancashire (5.4%) is higher than the regional average but slightly higher than the national average. For females, the unemployment rate in Lancashire (4.1%) is lower than both the national and regional averages although Cheshire & Warrington and Cumbria do have even lower rates within the North West.
- Compared to the overall population, those who are disabled have consistently higher unemployment rates. In the North West, the unemployment rate for all disabled people is

7.5%, just below the England average of 7.6%. Consistent with both of these figures, the rate in Lancashire is 7.6%.

- By ethnicity, the unemployment rates in Lancashire are mostly in keeping with national and regional figures, with the exception of the Other group which is lower than average. The highest rate in Lancashire is for the 'black/black British' group (9.5%) whilst the white and 'other' ethnic groups have the lowest rates (3.6% and 3.7% respectively).

Analysis of unemployment claimant count data (those claiming Job Seeker's Allowance (JSA)), shows that only 4% of the unemployed (4,700 people) in the region have been unemployed for over two years. In Lancashire, the figure is even lower at 2.6% and this indicates that, unlike in the 1980s and 1990s, long-term unemployment is no longer a major issue. However, it should be noted that the majority of incapacity benefit recipients are long-term claimants.

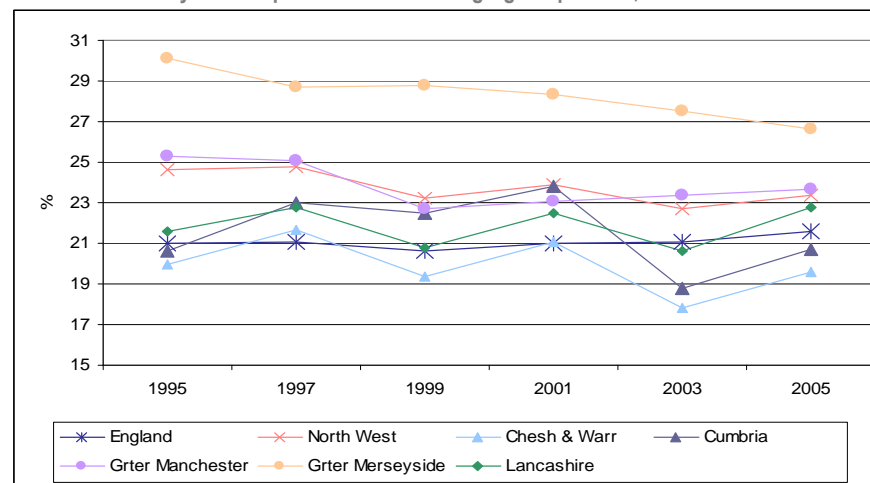
6.1.2 Economically Inactive

Context

Of the 1,124,300 people in the North West who are not in work, and excluding those who are classed as unemployed, 959,800 people are economically inactive. This figure equates to nearly a quarter of the working age population in the North West at 23.4%. In comparison, the economic inactivity rate for England is 21.6%, whilst the figure for Lancashire falls between both averages at 22.8%.

As shown in the figure below, the North West's gap with England has been a consistent feature of the past ten years. The rate of economic inactivity in Lancashire has fluctuated over the past ten years around an average of approximately 22%. This has consistently been below the regional average and at times, it has fallen below the average for England. However, recent trends have seen the figure rising in line with most other North West sub regions.

Economic Inactivity as a Proportion of the Working Age Population, 1995-2005



Source: ONS; LFS – Quarter Averages and Annual Population Survey, 1995-2005

As shown in the table below, the Annual Population Survey gives us an estimate of the proportion of the economically inactive who wish to work. In Lancashire, this figure is 19.8%, equivalent to 38,600 people.

Profile of Economically Inactive Population, 2005

% of economically inactive	DO NOT want a job	DO want a job	DO want a job (Breakdown)			
			Long-term sick	Looking after family/home	Students	Other reason
England	76.1%	23.9%	6.6%	6.8%	3.0%	4.3%
North West	80.1%	19.9%	6.6%	5.2%	2.1%	3.4%
Cheshire & Warrington	84.2%	15.8%	4.2%	4.7%	1.5%	2.2%
Cumbria	76.2%	23.8%	7.9%	6.2%	2.4%	5.0%
Lancashire	80.2%	19.8%	5.7%	5.7%	2.3%	3.3%
G. Manchester	78.8%	21.2%	7.9%	5.2%	2.0%	3.9%
G. Merseyside	81.3%	18.7%	6.3%	4.9%	2.2%	2.7%

Source: Annual Population Survey, December 2005

Across the region, there is a high level of variation in economic inactivity rates. In total, there are 42 districts in the North West and of these, Lancashire has four districts that fall within the top ten highest rates. These are Hyndburn (27.6%), Preston (27.5%), Blackburn with Darwen (27%), and Burnley (26.2%). Meanwhile, South Ribble and Ribble Valley have two of the lowest rates in the region (16.7% and 16.4% respectively).

Economic Inactivity by gender

Nationally, the rate of economic inactivity is higher for females than for males - 26.9% versus 16.5%. In the North West, the rate of inactivity for males is notably higher than the national average (by 2.8% points), indicating that economic inactivity amongst males is a particular issue for the region. Similar to previous trends, Lancashire has rates of economic inactivity, for both males and females, that are in between regional and national averages.

Economic Inactivity Rate (of Working Age Population) by Gender, 2005

	Male		Female		Total	
	%	Number	%	Number	%	Number
England	16.5	2,591,200	26.9	3,990,900	21.6	6,582,100
North West	19.3	406,800	27.8	553,000	23.4	959,800
Cheshire & Warrington	16.3	44,800	23.2	59,200	19.6	104,000
Cumbria	17.7	26,800	24.0	33,300	20.7	60,100
Lancashire	18.8	82,900	27.1	112,100	22.8	195,000
G. Manchester	19.3	152,700	28.5	212,900	23.7	365,600
G. Merseyside	22.3	99,600	31.1	135,500	26.6	235,100

Source: Annual Population Survey, December 2005

Economic Inactivity by disability

Across all areas, the rate of economic inactivity for people with a disability is significantly higher than the rate for the overall population. This is particularly true for the North West, which has an inactivity rate for people with a disability of 52.5%, 7.6% points above the national average. In comparison, Lancashire has a rate of 48.7%. Furthermore, for those with a work-limiting disability (as opposed to those registered under the DDA) the unemployment rate is 21.5%, lower than both the North West and England averages.

Economic Inactivity by ethnicity

Nationally, the highest rate of inactivity exists for people in the Pakistani/Bangladeshi ethnic group, whereas the lowest rate exists for people in the White ethnic group. In Lancashire, this pattern is repeated although the inactivity rates of the ethnic groups themselves vary compared to other sub regions. In particular, the economic inactivity rates for Indian and Other ethnic groups are particularly high in Lancashire whilst the rate for the black/black British group is relatively low.

Economic Inactivity Rate (of Working Age Population) by Ethnicity, 2005

	White	Indian	Pakistani/Bangladeshi	Black/Black British	Other Ethnic
England	20.0	25.3	49.4	28.5	34.9
North West	22.3	35.8	50.7	28.8	32.2
Cheshire & Warrington	19.3	!	!	!	23.9
Cumbria	20.8	!	!	!	!
Lancashire	21.1	43.1	51.9	24.5	39.0
G. Manchester	21.7	34.1	50.8	28.6	37.5
G. Merseyside	26.6	21.9	30.1	31.8	20.2

Source: Annual Population Survey, December 2005

! = Data is suppressed due to small sample size

6.1.3 Incapacity Benefit (IB) and Severe Disablement Allowance (SDA)

Context

A high proportion of workless people are in receipt of Incapacity Benefit, and this is a key target group for efforts to reduce worklessness. There is a reasonable level of characteristics data on IB/SDA claimants, which is summarised in the following paragraphs. This gives some indication of the type of barriers to employment that exist for IB/SDA claimants.

IB/SDA Claimants by Number and as a Proportion of the Working Age Population by Benefit Type, 2006

	Incapacity Benefit		Severe Disablement Allowance		IB + SDA	
	%	Number	%	Number	%	Number
England	6.1	1,882,900	0.7	229,300	6.8	2,112,200
North West	8.9	372,600	0.9	37,400	9.8	410,000
Lancashire	8.4	73,000	0.9	8,100	9.3	81,100
Blackburn with Darwen	10.2	8,600	0.9	800	11.1	9,400
Blackpool	11.1	9,400	1.3	1,100	12.4	10,500
Burnley	12.0	6,400	0.6	300	12.5	6,700
Chorley	5.2	3,400	0.8	500	5.9	3,900
Fylde	6.0	2,600	1.1	500	7.1	3,100
Hyndburn	10.6	5,200	1.0	500	11.7	5,700
Lancaster	6.9	5,800	0.8	700	7.7	6,500
Pendle	9.4	5,100	0.6	300	10.0	5,400
Preston	8.7	7,200	1.0	800	9.6	8,000
Ribble Valley	3.8	1,300	0.9	300	4.7	1,600
Rossendale	9.6	3,900	1.0	400	10.6	4,300
South Ribble	5.8	3,800	0.8	500	6.6	4,300
West Lancashire	7.8	5,200	1.1	700	8.9	5,900
Wyre	8.4	5,200	1.0	600	9.4	5,800

Source: ONS; DWP Benefits Data, February 2006

Note: Claimants and working age population are based on location of residence

Lancashire has a high rate of incapacity benefit claiming, with 8.4% of the working age population in receipt of the benefit, lower than the regional figure of 8.9%. Within Lancashire, there are some significant differences. Referring to the table above, the IB rate in Ribble Valley is the lowest rate for all districts in the North West whilst the figure for Burnley is one of the higher rates in the region.

The IB data allows us to look at some of the principal reasons for economic inactivity in the population and the table below shows the most common conditions of those claiming IB/SDA. By far the most common condition of claimants in England, the North West and Lancashire relates to the mental/behavioural disorder category, with 38.6% of recipients in Lancashire having a condition in this category.

IB/SDA Claimants by (6 most common) Conditions, 2006

	% of all IB/SDA claimants	Mental / behavioural	Nervous system	Circulatory system	Musculo-skeletal	Abnormal clinical findings	Injury	All Other
England		39.8	6.4	5.7	18.5	11.5	5.3	12.7
North West		40.6	5.7	6.2	18.7	11.3	5.3	12.3
Cheshire & Warrington		38.3	6.3	6.9	18.9	10.8	5.7	13.2
Cumbria		35.7	6.4	6.8	20.9	11.1	6.8	12.3
Lancashire		38.6	6.0	6.4	19.4	11.8	5.4	12.3
G. Manchester		42.9	5.5	6.0	17.6	11.2	5.2	11.7
G. Merseyside		40.4	5.3	5.9	19.2	11.2	5.0	13.1

Source: ONS; DWP Benefits Data, February 2006

Considering IB/SDA by duration of claiming, unlike unemployment benefit, a very high proportion of IB/SDA claimants have been in receipt of benefit for more than two years – 78% of recipients in the region, compared to 76.1% nationally. In Lancashire, the figure is 76.8%.

6.2 Demand for Training

Potential demand for training from within the workless group

We have undertaken analysis to get an indication of the potential demand for training by people who are unemployed or economically inactive in the North West.

We derived these estimates on the assumption that all unemployed people and approximately 20% of the economically inactive are potentially in the market for training. The economically inactive figure of 20% is based on the proportion of IB recipients who stated that they wanted to work, and does vary somewhat across sub-region (we used the sub-regional figures to derive the estimates).

We apply these proportions to the unemployed and inactive populations for the region and sub-regions, to derive estimates of the potential demand for training from workless people by level of qualification. The level breakdown is based on applying the qualification profile of the economically inactive population to our total need estimates. The qualification profile of the economically inactive is derived from a comparison of qualification attainment profiles for the working age and economically active populations.

The qualification profiles of the economically active and inactive populations in the North West (and each sub-region) are shown in the tables below; the qualification profile of the inactive population is

heavily skewed toward lower levels of qualification, when compared to the profile for the economically active.

Qualification Profile (%) of the Economically Active Population, 2006

	Level 4+	Level 3	Level 2	No Level 2
England	30.7	19.6	21.2	28.5
North West	29.2	20.5	21.6	28.7
Cheshire & Warrington	35.7	19.1	20.4	24.8
Cumbria	26.8	21.6	24.2	27.4
Lancashire	30.0	21.3	20.7	28.1
G. Manchester	28.2	20.8	21.9	29.1
G. Merseyside	26.9	19.4	22.1	31.6

Source: DfES, 2006

Qualification Profile (%) of the Economically Inactive Population, 2006

Area	Level 4+	Level 3	Level 2	No Level 2
Cheshire & Warrington	16.2	16.7	21.0	46.1
Cumbria	11.2	9.8	26.5	52.4
Lancashire	9.5	15.7	24.2	50.6
Greater Manchester	8.5	14.2	21.6	55.7
Gtr Merseyside	6.9	13.8	21.0	58.3

Source: DfES, 2006

Our estimates of the potential demand for training by workless people are shown in the table below. These are by their nature of calculation only indicative, but they give some feel for the potential scale of demand. Given the high proportion of economically inactive people with a low level of educational attainment, the figures indicate that the greatest potential demand is for learning/training opportunities at or below level 2. In Lancashire, we estimate that 36,000 workless people potentially demand support at this level.

Potential Training Demand by Workless Adults

Area	Level 4+	Level 3	Level 2	No Level 2	Total
Cheshire & Warrington	4980	5125	6453	14174	30732
Cumbria	2618	2289	6181	12216	23304
Lancashire	6697	11068	17038	35707	70510
Greater Manchester	12073	20273	30824	79337	142507
Gtr Merseyside	6058	12181	18553	51372	88164
Total	32426	50936	79048	192806	355217

Source: ONS; Annual Population Survey

Not in Education, Employment or Training (NEET)

Worklessness is an issue that primarily affects the adult population. For young people, the definition of worklessness is known as NEET. The group includes 16-18 year olds who are not in education, employment or training. NEET numbers for the North West and each sub-region are shown in the table below.

Percentage of 16 – 18 year olds in NEET, June 2006 and June 2005

	Jun-05	Jun-06	Number
England	8.6%	8.6%	94,163
North West	9.9%	10.5%	19,905
Greater Merseyside	12.0%	12.2%	5,442
Greater Manchester	10.0%	11.4%	6,514
Lancashire*	8.9%	8.9%	5,287 *
Cumbria	7.7%	7.7%	1,028
Cheshire & Warrington	6.9%	6.8%	1,634

Source: Connexions

* Lancashire figure inferred from March 06 rate and 05/06 16-18 cohort size

The North West has a high proportion of 16-18 year olds classed as NEET compared to England (10.5% against 8.6%). Within the North West, Lancashire has a NEET rate of 8.9%, higher than the national average but lower than the regional average.

However, the NEET problem is spatially concentrated and there are a number of districts in Lancashire with a high NEET proportion. These include Blackpool (12.9%), Nelson, (12.6%) and Accrington (11.8 %). The figure is lowest in Clitheroe at 2.3%.

6.3 Supply (provision) of Training

Many people who are unemployed or economically inactive will access learning opportunities through LSC mainstream provision. Most people in the workless group would be entitled to complete fee remission, and would not therefore need to pay for learning provided in a college setting. Many people who are workless do face barriers to participating in learning, such as medical conditions, lone parenthood, or carer responsibilities.

There is provision available specifically for the workless group. The LSC provides training through the Entry to Employment Programme for young people in the NEET group (a small number of adults also participate in the programme) who require significant support to enable progression to employment or more substantial learning programmes.

JobCentrePlus funds (and contracts for) a substantial amount of learning provision under the New Deal, which is available to a range of benefit recipients, including the unemployed, lone parents, and target groups with specific characteristics – for example, unemployed disabled people. Details of the Entry to Employment and JobCentrePlus funded programmes are given below.

The ESF programme that was funded under the 2000-2006 funding round also funded provision that was primarily target at workless groups. We estimate that of £26m of funds committed in the North West, just over half the total was targeted at people outside the workforce – approximately £1.5m per annum on average (funding under the 2000-06 programme can be spent up to 2008).

Entry to Employment: Lancashire¹⁰

Entry to Employment is an LSC programme that focuses on the needs of relatively low skilled young people. It aims to provide the skills necessary for young people to either secure employment, or to progress to a more substantial learning programme.

Levels of participation in the Entry to Employment programme in Lancashire reflect the scheme's aim to target those aged 16–18, with almost all participants falling into this age bracket. Referring to the table below, levels of participation fell between 2003 and 2006. This equates to a fall of 12.5% for the 16–18 year old age group, whilst the relative decline is higher for those aged 19+.

¹⁰ The data in this section reflects mainstream provision. Other funds, such as ESF, have been used to address this issue.

Entry to Employment Starts, 2003 - 2006

	2003/04	2004/5	2005/6
16 - 18	2,031	1,897	1,778
19+	31	12	4
Total	2,062	1,909	1,782

Source: LSC

The volume of Entry to Employment provision is indicated by the number of people in learning by November of the respective years of their course. At the regional level, numbers have decreased by 31.3% over the past three years. In contrast, the table below shows that the volume of provision in Lancashire actually increases in 2004/05 before returning to previous levels in 2005/06. This pattern is distinct to Lancashire whilst other sub regions in the North West have experienced declining numbers.

Entry to Employment Occupancy, 2003 - 2006

	2003/04	2004/5	2005/6
16-18	1,048	1,064	1,048
19+	10	7	10
Total	1,058	1,071	1,058

Source: LSC

As shown below, the average length of stay in learning in Lancashire has averaged between 21-22 weeks over the past three years and this is consistent with, if slightly higher than, national and regional durations of stay.

Average Length of Stay (Weeks)

	2003/04	2004/5	2005/6
16-18	22	21	21
19+	35	18	22
All leavers	22	21	21

Source: LSC

The table below shows the destination of participants on the Entry to Employment programme in Lancashire. This gives an indication of the success of the programme in the sub region. In Lancashire, 50% of 16–18 year olds continued into further education, work-based learning or employment with or without training in 2005/06. This is above regional and national averages of 49% and 46% respectively.

Leavers into Positive Destinations (%)

	2003/04	2004/5	2005/6
16-18	42%	21%	50%
19+	42%	25%	43%
All leavers	42%	21%	50%

Source: LSC

In 2005/06, of those going on to a positive destination, 28% went on to further education; 23% on to work based learning; 9% to employment with training and 39% into employment without training. This distribution of destinations is similar to regional and national levels.

Destinations of Leavers with Positive Destinations (%)

	2003/4		2004/5		2005/6	
	Number	Proportion (%)	Number	Proportion (%)	Number	Proportion (%)
Further education	154	20	223	61	292	28
Work based learning	101	13	143	39	237	23
Employment with training	507	67	0	0	96	9
Employment without training	0	0	0	0	404	39
Total	762	100	676	100	1,029	100

Source: LSC

Entry to Employment: Sub-regional figures

The table below shows the sub-regional figures for E2E starts and proportion of leavers into positive destinations in 2005/06. There is substantial variation in the proportion of leavers progressing to a positive destination, with a high of 58% in Cheshire and Warrington and a low of 40% in Cumbria.

E2E Starts and Outcomes by Sub Region, 2005/06

Sub-region	E2E Starts 05/6	% positive destination
C&W	528	58%
Cumbria	701	40%
G Manchester	2,944	50%
G Merseyside	2,874	47%
Lancashire	1,778	50%
North West	8,825	49%

Source: LSC

JobCentrePlus Provision

The current programme of JobCentrePlus provision in the North West, most of which is delivered under the New Deal programme, represents a £24m investment in the period mid-2006 to mid-2008 (approx £12m per annum). The table below shows the provision that is currently contracted as part of this programme across Lancashire.

JobCentrePlus Training Provision in Lancashire

Jobcentre Plus District	Service provided	Location of provision	End date
LANCASHIRE	GTW, Gateway, ETF, VS, FTET, IAP, FTETBS, BET	Blackpool, Fylde	6/30/2008
LANCASHIRE	GTW, Gateway, ETF, VS, FTET, IAP, FTETBS, BET	Lancaster, Morecambe	6/30/2008
LANCASHIRE	GTW, Gateway, ETF, VS, FTET, IAP, FTETBS, BET	East Lancs	6/30/2008
LANCASHIRE	GTW, Gateway, ETF, VS, FTET, IAP, FTETBS, BET	Preston	6/30/2008
NW & YH	SELF EMPLOYMENT	NW	6/30/2008

Source: JobCentrePlus

The codes in the second column refer to the type of service provided. Brief descriptions are as follows:

GtW Gateway to Work (2 week mandatory intensive Jobsearch programme)
 Gateway 16 week voluntary Jobsearch programme

ETF 13 weeks Environmental Task Force provision - NDYP - 18-24
 VS 13 weeks Voluntary Sector provision - NDYP - 18-24
 FTET Full Time Education & Training - NDYP - 18=24
 IAP Intensive Activity Programme - Mandatory for 25+ clients
 BS Basic Skills (FTETBS)¹¹
 BET Basic Employability Training
 Fthru Follow-Through programme for after New Deal Options

6.4 Matching Demand and Supply**Young people**

By comparing current NEET numbers (as of June 2006) and E2E starts for 2006 (16-18 year olds only), we can derive a ratio for the region and each sub region. The ratio shows E2E starts against the number of young people in the NEET group. As shown in the table below, there is considerable variation across the region in the extent to which the E2E programme is taken up against those in NEET need – the ratio varies from 1:3.1 in Cheshire and Warrington to 1:1.5 in Cumbria. In Cheshire and Warrington it is possible that some harder to reach young people are not engaged in the E2E programme – this is hinted at by the relatively high ratio and relative high rate of positive destinations.

Lancashire has an E2E ratio that is one of the highest in the North West at 1:3 and this suggests substantial potential for a high number of young people to consider E2E who are currently NEET. However, similar to Cheshire & Warrington, there is the possibility that young people may be considering options other than the E2E programme.

E2E penetration into the NEET group

Sub-region	E2E Starts 05/6	NEET number	E2E : NEET Ratio	% Positive Destination
Cheshire & Warrington	528	1,634	1 : 3.1	58%
Cumbria	701	1,028	1 : 1.5	40%
G. Manchester	2,944	6,514	1 : 2.2	50%
G. Merseyside	2,874	5,442	1 : 1.9	47%
Lancashire	1,778	5,287	1 : 3.0	42%
North West	8,825	19,905	1 : 2.3	49%

Source: Connexions

¹¹ Skills for Life funding has now been passed to the LSC

Adults

We have derived some indicative estimates of the potential demand for learning opportunities from within the workless population – this indicates substantial potential demand for below level 2 learning, with an estimated 38,100 people with a need at this level in Lancashire.

Workless adults are able to access general learning opportunities in community based providers and FE colleges, and tailored programmes funded by JobCentrePlus and the European Social Fund. It is not possible to identify how many workless adults currently take up learning opportunities in the North West.

Many workless adults face barriers to employment, including health problems and child and adult care responsibilities. Worklessness is more common in older adults, and many adults in the workless group are likely to have been out of formal education for some time. Combined, these factors suggest a need for tailored packages of support to individuals, with training linked to job opportunities, and progression in learning a key objective.

6.5 Issues and Conclusions

Key points are:

- Economic inactivity is less of an issue in Lancashire than in Greater Merseyside and Greater Manchester. However, it has some districts with very high rates of inactivity: Hyndburn (27.6%), Preston (27.5%), Blackburn with Darwen (27%), and Burnley (26.2%).
- We estimate that 56,000 inactive adults in Lancashire might require learning opportunities. The greatest potential demand is for learning/training opportunities below level 2. In Lancashire, we estimated that 38,100 workless people potentially demand support at this level.
- Lancashire has less of a NEET issue than the region as a whole, although there are some areas with a very high NEET percentage: Blackpool (12.9%), Nelson, (12.6%) and Accrington (11.8 %).

7 Lower Level Skills, Including Basic Skills

7.1 Context

Below Level 2 qualifications, the focus is on providing individuals with the skills they need to participate in the labour market, including literacy and numeracy skills. The focus is as much about getting people onto the 'skills ladder' as meeting the needs of employers. However, the underpinning skills of literacy, language and numeracy are vital to ensure the region has a workforce which is able to support a move to higher productivity levels. Provision for those lower level skills, is delivered under the umbrella of the national 'Skills for Life' programme.

The North West Skills for Life Strategy (July 2006) is the region's response to developments at a national level and shows how the region intends to implement the policy. This is summarised in the Regional Strategic Analysis report.

7.2 Scale of need

The Regional Strategic Analysis report explores the scale of need for Skills for Life provision in the region. Over 1.4m adults of working age in the North West do not hold qualifications at Level 2 or above (35.1% compared to 33.5% in England) – the minimum considered necessary for productive participation in the modern labour market. In Lancashire, there are 288,000 adults below Level 2.

Across the region only 70.2% of those without a Level 2 qualification are employed, compared to 87.9% of those qualified to Level 4 – this equates to nearly 250,000 fewer people in work than would be the case if the employment rates were in line with the national average. For those with no qualifications at all, the employment rate is just 45.3%. Many people without any qualifications are also likely to have basic skills needs. Therefore, Skills for Life provision should be targeted at those who are currently unemployed, inactive, or in low-skilled employment but vulnerable to redundancy.

Basic skills gaps are causing North West employers recruitment difficulties. Based on the results of the 2005 National Employer Skills Survey, employers in the North West are more likely than employers anywhere else in the country to cite written communication, literacy, and numeracy skills

as lacking amongst applicants for skills shortage vacancies. Of employers reporting skills shortage vacancies, 38% noted that written communication skills were lacking amongst applicants, 31% noted literacy skills as lacking, and 30% numeracy skills. In all cases, these were the highest responses of the nine English regions.

7.3 Targets

The region's PSA target is to support 109,670 adults to improve their literacy, language or numeracy skills between 2004-2007. The October 2006 data shows an achievement figure of 128,063 (non-discounted). This means that the region has already over achieved its Skills for Life PSA target for 2007 by 117%, with further achievements due for 2006-7.

Not all Skills for Life achievements can be counted towards the target. There is a national benchmark set which encourages providers to work towards the balance and mix of 80% of Skills for Life provision to be target or approved provision, and the remaining 20% to be non-accredited provision. Current performance in the North West and Lancashire is shown in the table below. The table shows for 16-18 year olds and adults separately, the proportion of basic skills achievements which count towards the target in 2004/05. The last two columns show how achievements split between young people and adults.

In 2004/05, in the North West, 89% of Skills For Life achievements by young people count towards the target - this is to be expected, as a large proportion of under 19 learners will be following key skills programme or re-taking GCSEs, which also contribute towards the target. In Lancashire, the proportion is higher, at 93%.

Most adults follow discrete Skills for Life programmes, which are less substantial in terms of guided learning hours. For adults in the North West, only 35% of achievements count towards the target. The Lancashire figure is lower at 31%. The challenge is to increase the number of adults on basic skills courses that count towards the target, and this challenge is likely to increase over time if school performance continues to improve, as this will have the affect that fewer 16-18 year olds require Skills for Life provision.

Skills for Life Achievements (Target / Non-Target) in 2004/05

	Age	% count towards target	% achievements
Lancashire	16-18	93%	31%
	19+	31%	69%
	All ages	50%	
North West	16-18	89%	29%
	19+	35%	71%
	All ages	51%	

Source: LSC

7.4 Demand**The Survey**

The Regional Strategic Analysis report describes the results of the 2002 Skills for Life (SfL) Survey commissioned by DfES in 2002. Section 8.4 of the Regional report sets out estimated literacy, numeracy, ESOL and ICT needs in the region and sub-regions based on the survey proportions. In this report, we show the analysis at the district level, to get a picture of the areas with the greatest basic skills needs.

Literacy

The tables below show the proportion and number of people (adults aged 16-65) in each district with literacy skills at each of the three levels. There is a significant basic skills needs across Lancashire, with 12% of people at Entry Level and 47% at Level 1. In total, 59% of 16-65 year olds in Lancashire have literacy skills which are below Level 2; this compares to 56% for England and 60% for the region. There are about 512,700 adults in Lancashire with literacy skills below Level 2, indicating a significant requirement for provision to address this need.

Within the sub-region, Blackburn with Darwen has the highest proportion (and highest number) of people with below Level 2 skills in literacy.

Adults (16-65): Distribution of Literacy Skills by Level of Need

	Entry Level	Level 1	Level 2 or higher
Blackburn with Darwen	19%	45%	36%
Blackpool	15%	45%	41%
Burnley	15%	47%	39%
Chorley	8%	49%	43%
Fylde	8%	45%	48%
Hyndburn	14%	49%	37%
Lancashire	10%	44%	46%
Pendle	15%	44%	41%
Preston	14%	45%	41%
Ribble Valley	7%	43%	50%
Rossendale	10%	48%	41%
South Ribble	10%	43%	47%
West Lancashire	8%	48%	43%
Wyre	9%	46%	45%
Lancashire	12%	47%	41%
North West	13%	47%	40%
England	16%	40%	44%

Source: SfL Survey 2002/3, DfES

Number of Adults by Literacy Skill Level of Need

	Entry Level	Level 1	Below L2	L2 or higher
Blackburn with Darwen	16,100	38,000	54,100	29,930
Blackpool	12,450	38,120	50,570	34,430
Burnley	8,115	25,930	34,045	21,370
Chorley	5,175	31,800	36,975	27,940
Fylde	3,250	19,060	22,310	20,490
Hyndburn	7,085	24,470	31,555	18,900
Lancashire	7,800	35,480	43,280	36,500
Pendle	8,460	24,120	32,580	22,570
Preston	11,770	36,960	48,730	33,400
Ribble Valley	2,425	14,420	16,845	16,650
Rossendale	4,305	2,030	6,335	17,030
South Ribble	6,375	28,850	35,225	31,350
West Lancashire	5,770	33,320	39,090	29,610
Wyre	5,510	28,160	33,670	27,910
Lancashire	101,100	411,600	512,700	358,600
North West	536,760	1,991,600	2,528,360	1,674,800
England	5,021,930	12,232,620	17,254,550	13,682,015

Source: SfL Survey 2002/3, DfES

Numeracy

The table below shows the proportion of people (adults aged 16-65) in each district with numeracy skills at each of the three levels. At the regional level, there is a significant basic skills need, with 53% of people at Entry Level and 30% at Level 1. In total, 83% of 16-65 year olds have numeracy skills which are below level 2, and this compares to 75% for England.

There is some variation across the sub-regions; Greater Merseyside has the highest proportion of adults with less than Level 2 numeracy skills, at 87%, and Cheshire and Warrington has the lowest, at 79%. All sub-regions have a higher proportion of adults with numeracy skills below Level 2 than the England average.

Within the sub-region, Blackburn with Darwen has the highest proportion (and highest number) of people with below Level 2 skills in numeracy.

Adults (16-65): Distribution of Numeracy Skills by Level of Need

	Entry Level	Level 1	Level 2 or higher
Blackburn with Darwen	65%	24%	12%
Blackpool	57%	27%	15%
Burnley	54%	31%	16%
Chorley	44%	34%	22%
Fylde	44%	34%	23%
Hyndburn	53%	31%	16%
Lancashire	52%	31%	17%
Pendle	46%	36%	18%
Preston	48%	34%	19%
Ribble Valley	40%	35%	25%
Rossendale	52%	31%	16%
South Ribble	48%	30%	21%
West Lancashire	46%	32%	21%
Wyre	47%	33%	21%
Lancashire	49%	32%	19%
North West	53%	30%	17%
England	47%	28%	25%

Source: SfL Survey 2002/3, DfES

There is a substantial need for basic skills training in numeracy across the North West. The table below shows the number of adults with numeracy skills at the different levels. There are about 3.5 million adults in the region with numeracy below Level 2, indicating a significant requirement for provision to address this need. Of these, Lancashire accounts for just over 705,300 adults in need below Level 2. Blackburn with Darwen and Blackpool have particularly high numbers of adults below Level 2.

Number of Adults by Numeracy Skill Level of Need

	Entry Level	Level 1	Below L2	L2 or higher
Blackburn with Darwen	54,390	19,840	74,230	9,805
Blackpool	48,810	23,200	72,010	12,990
Burnley	29,690	16,910	46,600	8,825
Chorley	28,380	22,140	50,520	14,390
Fylde	18,650	1,440	20,090	9,715
Hyndburn	26,500	15,780	42,280	8,170
Lancashire	41,560	24,660	66,220	13,560
Pendle	25,620	19,760	45,380	9,755
Preston	39,320	27,580	66,900	15,230
Ribble Valley	13,300	11,680	24,980	8,520
Rossendale	21,700	12,900	34,600	6,770
South Ribble	32,210	20,080	52,290	14,270
West Lancashire	31,830	22,260	54,090	14,620
Wyre	28,660	20,240	48,900	12,690
Lancashire	426,500	278,800	705,300	166,100
North West	2,229,200	1,264,300	3,493,500	710,220
England	14,499,395	8,553,945	23,053,340	7,883,225

Source: Sfl Survey 2002/3, DfES

ICT

The table below shows the results of the ICT assessment. In total, 66% of adults in the sub-region are classified as having ICT skills at Entry Level; this equates to 606,300 adults with a basic skills need in ICT. The proportion at Entry level is well above the England average of 53%. There are 2.5 million people in the region with ICT skills below Level 1.

Again there is some variation by District: Blackpool has the highest proportion of adults at Entry Level (70%), and Ribble Valley the lowest (47%).

Number of Adults by ICT Skills Level (and as % total)

	Number		Proportion (%)	
	Entry Level	Level 1	Entry Level	Level 1
Blackburn with Darwen	55,420	28,615	66%	34%
Blackpool	59,460	25,540	70%	30%
Burnley	34,990	20,430	63%	37%
Chorley	34,700	30,210	53%	47%
Fylde	23,840	18,965	56%	44%
Hyndburn	31,660	18,785	63%	37%
Lancaster	41,410	38,375	52%	48%
Pendle	33,880	21,265	61%	39%
Preston	48,810	33,325	59%	41%
Ribble Valley	15,910	17,590	47%	53%
Rossendale	24,410	16,955	59%	41%
South Ribble	34,540	32,030	52%	48%
West Lancashire	38,000	30,705	55%	45%
Wyre	35,060	26,530	57%	43%
Lancashire	560,000	311,410	64%	36%
North West	2,462,100	1,741,530	59%	41%
England	16,538,095	14,398,470	53%	47%

Source: Sfl Survey 2002/3, DfES

ESOL

As noted earlier, the survey provides an estimate of the number of people who may require ESOL training. The numbers for the sub-region are shown in the table below. The greatest need is in Blackburn with Darwen.

The North West Skills for Life Strategy notes that there is now higher demand for ESOL in the region. This is not reflected in the 2003 Survey. This is a result of an inflow of migrants with ESOL needs. The North West has established an ESOL task group to identify the scale of demand and suggest ways to plan and address the increase in demand.

Adults in the ESOL group

	ESOL (number)	ESOL (%)
Blackburn with Darwen	16725	20%
Blackpool	915	1%
Burnley	3835	7%
Chorley	765	1%
Fylde	460	1%
Hyndburn	3590	7%
Lancaster	1280	2%
Pendle	7265	13%
Preston	9760	12%
Ribble Valley	350	1%
Rossendale	1,230	3%
South Ribble	760	1%
West Lancashire	650	1%
Wyre	480	1%
Lancashire	48,045	6%
North West	173,915	4%
England	2,358,060	8%

Source: Sfl Survey 2002/03, DfES

7.5 Matching Supply and Demand

The table below shows the total basic skills needs in each sub-region (based on a summation of the numeracy, literacy, ESOL and ICT needs derived from the DfES Sfl survey discussed above. The provision figures relate to achievements of all basic skills qualifications.

Basic skills: need versus provision

	Need (no.)	Provision (no.)	Provision as % of need
Cheshire & Warrington	1,275,105	61,030	4.8%
Cumbria	731,140	10,359	1.4%
Greater Manchester	3,876,650	80,115	2.1%
Greater Merseyside	2,228,765	146,935	6.6%
Lancashire	2,103,875	134,143	6.4%
North West	10,215,535	432,582	4.2%

Source: Sfl Survey 2002/03 (DfES) and LSC

The table indicates that annual provision meets only a small proportion of need (4.2% in the region, and 6.4% in Lancashire). This is partly a result of the nature of the survey, which across England results in very high proportions of people identified with basic skills needs. However, it does suggest that there is a need for sustained action to tackle the basic skills requirements of the North West population.

Figures by district are shown below.

Basic skills: need versus provision (by district)

	Need (no.)	Provision (no.)	Provision as % of need
Blackburn with Darwen	229,090	20,155	8.8%
Blackpool	208,495	14,731	7.1%
Burnley	139,900	7,813	5.6%
Chorley	153,170	7,080	4.6%
Fylde	85,665	4,608	5.4%
Hyndburn	127,870	9,299	7.3%
Lancashire	190,565	11,686	6.1%
Pendle	140,370	10,723	7.6%
Preston	207,525	13,542	6.5%
Ribble Valley	75,675	3,010	4.0%
Rossendale	83,530	5,565	6.7%
South Ribble	154,845	7,677	5.0%
West Lancashire	162,535	9,387	5.8%
Wyre	144,640	8,867	6.1%
Lancashire	2,137,455	134,143	6.4%
North West	10,399,405	432,582	4.2%

Source: Sfl Survey 2002/03 (DfES) and LSC

The challenges for Lancashire include how to convert need into demand – and in particular, how to make provision more accessible – and finally ensuring that providers have the capacity and capability to deliver.

7.6 Issues and Conclusions

There is a major need identified in the region in terms of basic skills requirements and it is clearly an issue for employers. People without qualifications (a proxy for basic skills needs) are significantly more likely than those who have qualifications to be excluded from the labour market. Given the importance of addressing basic skills needs – both for employers and individuals - the issue arises of whether sufficient resources are being directed to meeting adult basic skills needs. On current volumes, only a small proportion of the region's basic skills needs are being addressed each year.

8 Level 2

8.1 Context

National focus on level 2

The Regional strategic analysis explains in some detail the reasons for the national focus on Level 2. The importance placed on Level 2 attainment reflects a belief that this level is the minimum a person requires for employability. Attainment of Level 2 is also a platform for progression to developing intermediate and higher level skills. The DfES has PSA targets that relate to Level 2 attainment by young people and adults.

Level 2 attainment – young people

Population forecasts indicate that young people will become an increasingly scarce resource in future. Set against this, future forecasts of employment by occupational category indicate significant replacement demand at Level 2 in a number of occupational categories which have traditionally been major employers of young people, in particular, Sales and Customer Services, and Personal Services.

Looking at the cohort of young people in the North West who reached age 19 in 2005, 48% had attained Level 2 at age 16, rising to 68% age 19. The performance of the North West is somewhat below the England average, with comparable figures of 50% and 70%. Lancashire is close to or just below the regional figures, with Level 2 attainment rates of 48% for 16 year olds and 67% for 19 year olds. This is shown in the table below.

Level 2 attainment of young people by sub-region

Cohort: Reaching age 19 in 2005	Eng.	NW	Cum	Lanc	G. Mer	G. Man	C&W
Level 2 at 16	50%	48%	53%	48%	45%	47%	57%
Level 2 at 19	70%	68%	72%	67%	65%	67%	76%
% cohort achieving Level 2 post 16	19%	20%	19%	19%	20%	20%	19%
Level 2 at 16 including GCSE Maths and English	43%	41%	45%	42%	37%	41%	50%
Level 2 at 19 including GCSE Maths and English	45%	44%	47%	44%	39%	43%	51%
% cohort achieving Level 2 (inc Maths/English) post 16	2%	2%	2%	2%	2%	2%	2%

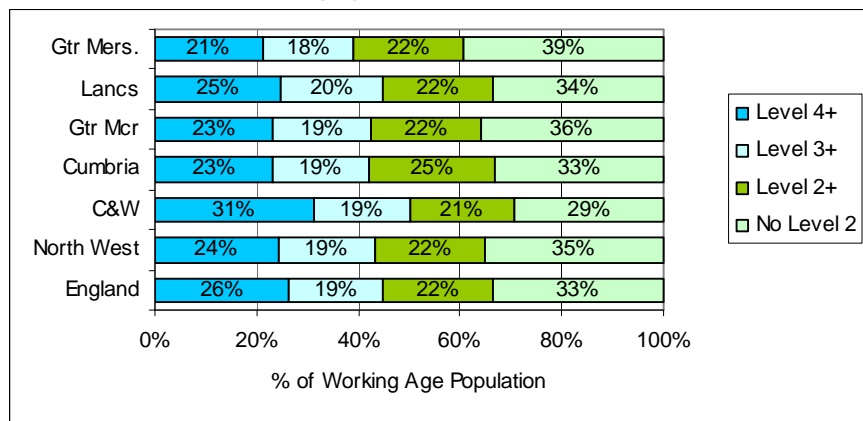
Source: LSC

Concerns that many young people lack basic numeracy and literacy skills have led to an increased focus nationally on the number of young people attaining Level 2 including good GCSE passes (A*-C) in Maths and English. Of the cohort of young people in Lancashire who reached age 19 in 2005, 42% had attained Level 2 including GCSE Maths and English at age 16. By age 19, the figure was little changed, at 44%.

Level 2 attainment – Adults

Of the working age population in Lancashire, 34% have not attained Level 2 (England = 33%, North West = 35%). This is shown in the graph below. A far higher proportion of the economically inactive lack a Level 2 (51%), compared to the economically active (28%). The corresponding regional figures are 29% and 54%.

Qualification Profile of the Working Age Population, 2005/06



Source: DfES, 2006

8.2 Targets

Reflecting the high profile given to Level 2, the North West has its own regional trajectories for Level 2 attainment at 19 and for adults. The trajectories show the number of full Level 2 achievements to be delivered in 2007/08 and include 2 components:

- FE - full Level 2 achievements¹²
- WBL – Apprenticeship achievements at Level 2.

The targets for young people appear achievable on current volumes of provision and success rates. The adult Level 2 trajectory appears to be within striking distance; to meet the FE trajectory of 18,701 achievements in 2007/08, requires an additional 950 completions on the 2004/05 total.

¹² A full level 2 qualification, is a qualification that if successfully completed, would on its own, result in the learner attaining the Level 2 threshold – that is equivalent to 5 GCSE passes at grades A*-C – independent of their prior attainment.

Taking as our base line the learner volume in 2005/06 and the 2004/05 success rate, this would require an additional 1,523 learners (on top of the 28,451 2005/06 baseline volume). The distribution of learner numbers by region would be as shown below, if we assumed an equal proportionate increase in each sub-region, adjusted for differences in success rates. In all sub-regions, FE learner volume would need to increase by 5%.

Estimates of additional Full L2 adult learners to meet target

Sub-region	Baseline volume	Baseline success rate %	Baseline estimated completions	07/8 completions needed	Volume to meet completions needed	Increase in volume on baseline
C&W	3,097	73%	2,261	2,382	3,263	5%
Cumbria	1,631	68%	1,106	1,165	1,718	5%
G Man.	10,358	59%	6,150	6,479	10,912	5%
G Mer.	6,698	61%	4,076	4,294	7,057	5%
Lancs	6,667	62%	4,158	4,380	7,024	5%
NW	28,451		17,751	18,701	29,974	5%

Source: EKOS estimates

If the trajectory was to be met by adjusting for need – that is, recruiting more full Level 2 adult learners in Greater Manchester and Greater Merseyside, where the proportion of adults without Level 2 is relatively high – then a greater volume increase would be needed in these areas. This is shown in the table below. The last column shows the revised volume increases needed on baseline. Under this scenario, the increase in learner volume required in Lancashire is 1%.

Estimates of additional Full L2 adult learners to meet target (need adjusted)

Sub-region	Baseline volume	Baseline success rate %	Baseline estimated completions	07/8 completions needed	Volume to meet completions needed	Increase in volume on baseline
C&W	3,097	73%	2,261	1,996	2,734	-12%
Cumbria	1,631	68%	1,106	1,102	1,626	0%
G Man.	10,358	59%	6,150	6,618	11,146	8%
G Mer.	6,698	61%	4,076	4,796	7,880	18%
Lancs	6,667	62%	4,158	4,204	6,741	1%
NW	28,451		17,751	18,701	29,974	5%

Source: EKOS estimates

8.3 Demand

In the Regional Strategic Analysis, we derive estimates of the region-wide demand for people with Level 2 qualifications by sector – both expansion and replacement demand.

In the North West as a whole, the greatest potential demands for Level 2 qualified people by sector are as follows:

- Retail – additional 7,547 Level 2 employees per annum;
- Health and Social Care – additional 7,151 Level 2 employees per annum;
- Financial Services – additional 5,139 Level 2 employees per annum;
- Logistics - additional 4,362 Level 2 employees per annum; and
- Education - additional 3,515 Level 2 employees per annum.

In some sectors, there are likely to be additional demands for Level 2 qualifications, as employers need to up-skill a large proportion of their existing workforce. In some sectors such as construction, new regulations mean that all employees must attain Level 2. In Lancashire, there is a well recognised need for Level 2 construction workers. Other sectors with a substantial potential demand for up-skilling of the existing workforce are: retail; logistics; and hospitality, leisure and tourism.

Supply

Young people

The number of young people studying for a full Level 2 qualification in the FE sector in 2005/06 by sector subject area and sub-region (residency) is shown in the table below. In Lancashire, there were 4,480 people studying towards a full Level 2, representing 21% of the regional total.

Full Level 2 learners in FE by SSA (2005/06)

Subject area	C&W	Cumbria	G Man	G Mer	Lancs	NW
Agriculture	80	25	145	109	132	492
Arts, media & publ.	197	52	647	352	254	1,502
Business, admin and law	116	86	533	196	302	1,232
Construction	170	169	685	421	286	1,731
Education and Training	2	4	0	4	0	11
Eng. & man. Tech	181	164	800	524	430	2,099
Health	314	174	1,436	549	709	3,183
History, Philosophy and Theology	1	0	18	2	10	31
ICT	128	61	561	237	235	1,223
Languages, Lit. and Culture	19	14	127	36	84	280
Leisure, travel, tourism	196	55	667	346	345	1,608
Preparation for Life and Work	221	137	999	516	413	2,286
Retail	447	272	1,488	1,017	753	3,976
Science & Maths	35	8	219	74	120	456
Social Sciences	2	3	6	4	13	29
Unknown	67	16	610	185	394	1,273
All subject areas	2,176	1,242	8,939	4,573	4,480	21,410

Source: LSC

Success rates for 16-18 year olds on full Level 2 courses in FE by sub-region are shown below. The latest data available is for 2004/05. The Lancashire success rate of 66% is above the regional and England averages.

Success rate: 16-18 year olds on full Level 2 courses

Sub-region	Success rate % (04/5)
C&W	66%
Cumbria	67%
G Man	66%
G Mer	59%
Lancs	66%
North West	64%
England	63%

Source: LSC Note: success rates by sub-region relate to the location of the institution, not the learner

The number of young people studying for a Level 2 apprenticeship in the WBL sector in 2005/06 by sector subject area and sub-region is shown in the table below. In Lancashire, there were 3,570 people studying towards a full Level 2, representing 20% of the regional total.

Number of Young People (16-18) in WBL, 2005/06

Sector Subject Area	C&W	Cum	G. Man	G. Mer	Lans	NW
Agriculture	73	47	94	74	108	396
Arts, Media and Publishing	0	0	15	0	3	18
Business, Admin and Law	294	217	1037	590	500	2638
Construction	393	493	1719	1076	1033	4715
Education and Training	0	1	0	0	0	1
Eng. and Man Tech.	285	239	1202	646	720	3092
Health, Public Serv. & Care	258	116	706	658	292	2030
ICT	13	11	49	55	16	144
Leisure, Travel and Tourism	17	19	83	147	47	313
Preparation for Life and Work	0	0	0	0	0	0
Retail	571	292	1519	1106	850	4337
Science & Maths	0	0	0	1	0	1
Total	1904	1435	6423	4353	3570	17685

Source: LSC

For Lancashire, the full framework success rate in WBL at Level 2 across all sectors is currently 56%, above the England average of 54%.

Adults

The number of adults studying for a full Level 2 qualification in the FE sector in 2005/06 by sector subject area and sub-region is shown in the table below. In Lancashire, there were 6,667 people studying towards a full Level 2, representing 23% of the regional total.

Number of Adult Learners in FE: Full Level 2, 2005/06

Subject area	C&W	Cumbria	G Man	G Mer	Lancs	NW
Agriculture	88	35	286	234	159	802
Arts, media & publ.	51	6	93	88	40	278
Business, admin and law	550	335	1,360	896	1,115	4,256
Construction	402	167	1,644	919	900	4,033
Education and Training	68	20	68	162	93	411
Eng. & man. Tech	386	232	1,173	861	613	3,265
Health	504	356	2,538	1,217	1,732	6,346
History, Philosophy and Theology	0	1	1	1	3	7
ICT	150	21	315	400	157	1,044
Languages, Literature and Culture	3	3	16	10	7	39
Leisure, travel, tourism	94	120	515	246	307	1,282
Preparation for Life and Work	61	45	254	184	169	713
Retail	728	286	1,995	1,423	1,275	5,707
Science & Maths	2	2	50	21	8	85
Social Sciences	0	0	4	3	2	10
Unknown	9	2	45	33	86	174
All subject areas	3,097	1,631	10,358	6,698	6,667	28,451

Source: LSC

Success rates for adults on full Level 2 courses in FE by sub-region are shown below. The latest data available is for 2004/05. The Lancashire success rate of 62% is just above the England average and equal to the regional average.

Success rate: Full Level 2 courses taken by Adults

Sub-region	Success rate 04/05	
		%
C&W		73%
Cumbria		68%
G Man		59%
G Mer		61%
Lancs		62%
North West		62%
England		60%

Source: LSC

For Lancashire, the adult full framework success rate in WBL at Level 2 across all sectors is currently 57%, above the England average of 53%.

The number of adults studying for a Level 2 apprenticeship in the WBL sector in 2005/06 by sector subject area and sub-region is shown in the table below. In Lancashire, there were 1,476 people studying towards a full Level 2, representing 19% of the regional total.

Number of Adults (19+) in WBL, 200506

Sector Subject Area	C&W	Cum	G. Man	G. Mer	Lans	NW
Agriculture	29	13	56	38	46	182
Arts, Media and Publishing	0	0	3	0	1	4
Business, Admin and Law	277	134	834	622	380	2247
Construction	103	84	476	274	194	1132
Education and Training	0	0	2	3	0	5
Eng. and Man Tech.	92	50	330	123	230	826
Health, Public Serv.& Care	155	71	423	403	248	1300
ICT	49	5	51	67	22	194
Leisure, Travel and Tourism	29	12	81	50	55	227
Preparation for Life and Work	0	0	0	0	0	0
Retail	251	174	711	365	300	1800
Science & Maths	0	0	0	2	0	2
Total	985	544	2965	1949	1476	7920

Source: LSC (average in learning)

9 Level 3

9.1 Context

There is a growing body of evidence (including the ongoing Leitch review) that highlights the increasing importance of Level 3 skills. For example, the interim Leitch report notes that evidence of spillover effects, where lower skilled workers become more productive as a result of working with higher skilled colleagues, is only present for Level 3 and above qualifications. Strong earnings returns to Level 3 qualifications are also seen, indicating an impact on productivity.

It is also important to note that Level 3 attainment is the platform for progression to HE and higher level skills, and the additional earnings and productivity benefits that this brings. These issues are discussed in further detail in the regional strategic analysis.

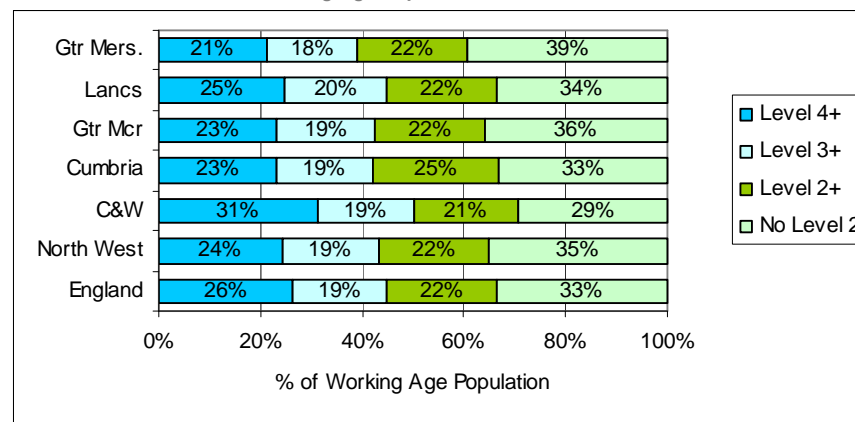
Level 3 attainment – young people

Looking at the cohort of young people in the North West who reached age 19 in 2005, 43% of this group had achieved Level 3. This compares to 46% of the national cohort. We have been unable to source Level 3 data by sub region.

Level 3 attainment – Adults

Of the working age population in Lancashire, 56% have not attained Level 3 (England = 55%, North West = 57%). This is shown in the graph below. A far higher proportion of the economically inactive in Lancashire lack a Level 3 (75%) compared to the economically active (49%). Comparable figures for England are 50% and 73%.

Qualification Profile of the Working Age Population, 2005/06



Source: DfES, 2006

9.2 Demand

In the Regional Strategic Analysis, we derive estimates of the region-wide demand for people with Level 3 qualifications by sector – both expansion and replacement demand.

In the North West as a whole, the greatest potential demands for Level 3 qualified people by sector are as follows:

- Health & Social Care – additional 3,131 Level 3 employees per annum;
- Retail – additional 2,746 Level 3 employees per annum;
- Construction – additional 2,115 Level 3 employees per annum;
- Financial Services - additional 1,578 Level 3 employees per annum; and
- Education - additional 1,190 Level 3 employees per annum.

For Construction and Retail, these additional numbers equate to a large proportion of their existing workforce. Furthermore, in some sectors, there are likely to be additional demands for Level 3 qualifications, as employers need to up-skill a large proportion of their existing workforce.

9.3 Supply

Young people

The numbers of young people studying for a full Level 3 qualification in the FE sector in 2005/06 by sector subject area (SSA) are shown in the table below. In Lancashire, there were 13,133 people studying towards a full Level 3, representing 27% of the North West total.

Number of 16-18 year olds in FE on Full Level 3 course by SSA (North West), 2005/06

Subject area	C&W	Cumbria	G Man	G Mer	Lancs	NW
Agriculture	186	28	192	135	283	823
Arts, media & publ.	1,185	217	3,427	1,609	1,959	8,398
Business, admin and law	366	86	1,452	394	943	3,241
Construction	70	38	224	109	150	592
Education and Training	3	3	1	3	3	13
Eng. & man. Tech	170	69	466	177	369	1,250
Health	652	264	2,267	943	1,658	5,784
History, Philosophy and Theology	176	38	1,008	292	563	2,077
ICT	325	119	1,215	506	696	2,862
Languages, Literature and Culture	302	79	1,340	519	805	3,045
Leisure, travel, tourism	545	158	1,198	691	1,093	3,685
Preparation for Life and Work	373	163	1,145	502	627	2,809
Retail	156	79	514	274	346	1,370
Science & Maths	698	134	3,024	1,046	1,839	6,742
Social Sciences	202	31	859	278	564	1,934
Unknown	361	51	1,984	470	1,234	4,101
All subject areas	5,769	1,559	20,315	7,948	13,133	48,724

Source: LSC

Success rates for 16-18 year olds in the North West on full Level 3 courses in FE are shown below by SSA.

FE Success Rate (%): North West Full Level 3

	Success Rate %
Agriculture, Horticulture and Animal Care	56%
Arts, Media and Publishing	66%
Business, Administration and Law	56%
Construction, Planning and the Built Environment	56%
Education and Training	30%
Engineering and Manufacturing Technologies	53%
Health, Public Services and Care	58%
Information and Communication Technology	57%
Languages, Literature and Culture	50%
Leisure, Travel and Tourism	60%
Preparation for Life and Work	42%
Retail and Commercial Enterprise	67%
Science and Mathematics	59%

Source: LSC

The number of young people studying for a Level 3 apprenticeship in the WBL sector in 2005/06 by sector subject area and sub region is shown in the table below. In Lancashire, there were 2,387 people studying towards a full Level 3, representing 25% of the regional total.

Number of 16-18 year olds on Full Level 3 Courses in WBL by SSA (North West), 2005/06

Sector Subject Area	C&W	Cumbria	G. Man	G. Mer	Lancs	NW
Agriculture	8	18	5	8	28	67
Arts, Media and Publishing	16	10	20	7	11	64
Business, Admin and Law	69	42	224	105	210	650
Construction	167	185	696	325	539	1,913
Education and Training	-	0	0	1	0	1
Eng. and Man Tech.	605	833	1,350	809	1,189	4,786
Health, Public Serv.& Care	102	113	345	233	217	1,010
ICT	15	14	39	25	33	126
Leisure, Travel and Tourism	30	22	168	115	84	419
Preparation for Life and Work	-	0	1	2	3	6
Retail	66	22	159	162	73	482
Science & Maths	4	10	3	2	0	18
Total	1,082	1,269	3,011	1,794	2,387	9,543

Source: LSC

For Lancashire, the full framework success rate in WBL at Level 3 across all sectors is currently 64%. The comparative figure for England is 56%.

Adults

The number of adults studying for a full Level 3 qualification in the FE sector in 2005/06 by sector subject area is shown in the table below. In Lancashire, there were 5,083 people studying towards a full Level 3, representing 21% of the regional total.

Number of 19+ year olds on Full Level 3 courses in FE by SSA (North West), 2005/06

Subject area	C&W	Cumbria	G Man	G Mer	Lancs	NW
Agriculture	47	20	102	72	111	351
Arts, media & publ.	185	48	566	353	228	1,380
Business, admin and law	367	212	1,062	663	566	2,870
Construction	160	145	427	260	354	1,346
Education and Training	145	179	319	318	328	1,289
Eng. & man. Tech	118	117	322	191	193	941
Health	623	458	3,314	1,537	2,187	8,119
History, Philosophy and Theology	4	98	262	22	70	457
ICT	50	38	226	115	112	541
Languages, Literature and Culture	37	11	74	62	30	214
Leisure, travel, tourism	62	18	117	88	64	349
Preparation for Life and Work	499	36	1,405	1,051	196	3,187
Retail	206	83	633	382	365	1,670
Science & Maths	34	8	235	100	111	487
Social Sciences	6	19	63	44	97	229
Unknown	11	8	100	36	69	225
All subject areas	2,554	1,498	9,225	5,295	5,083	23,655

Source: LSC

Regional success rates for 19+ year olds on full Level 3 courses by SSA are shown below.

FE Success Rate (%): North West Full Level 3

	Success Rate %
Agriculture, Horticulture and Animal Care	35%
Arts, Media and Publishing	61%
Business, Administration and Law	61%
Construction, Planning and the Built Environment	59%
Education and Training	58%
Engineering and Manufacturing Technologies	52%
Health, Public Services and Care	58%
Information and Communication Technology	48%
Languages, Literature and Culture	51%
Leisure, Travel and Tourism	47%
Preparation for Life and Work	48%
Retail and Commercial Enterprise	66%
Science and Mathematics	66%

Source: LSC

The number of adults studying for a Level 3 apprenticeship in the WBL sector in 2005/06 by sector subject area and sub regions is shown in the table below. In Lancashire, there were 1,337 people studying towards a full Level 3 representing 18% of the regional total.

Number of 19+ year olds on Full Level 3 Courses in WBL by SSA (North West), 2005/06

	C&W	Cumbria	G. Man	G. Mer	Lancs	NW
Agriculture	26	2	33	32	22	115
Arts, Media and Publishing	3	3	20	3	10	39
Business, Admin and Law	272	110	606	463	288	1,740
Construction	112	75	297	191	225	900
Education and Training	0	0	3	1	1	5
Eng. and Man Tech.	167	154	418	353	295	1,388
Health, Public Serv.& Care	242	46	619	462	242	1,612
ICT	42	8	89	33	36	208
Leisure, Travel and Tourism	19	8	76	70	32	205
Preparation for Life and Work	10	0	5	30	6	51
Retail	184	66	332	222	180	984
Science & Maths	2	1	3	3	0	9
Total	1,081	473	2,502	1,864	1,337	7,257

Source: LSC (average in learning)

For Lancashire, the success rate in WBL at Level 3 across all sectors is currently 48%. The success rate for the North West region is lower at 45%.

10 Higher Level Skills (Level 4+)

10.1 Context

Higher level skills at Level 4 and above are vitally important for ensuring that the North West is able to improve its regional competitiveness. The Leitch review is highlighting the importance of intermediate and higher level skills to support international competitiveness and productivity, in increasingly open global markets. Sector level evidence often points to intermediate and higher level skills needs.

In the North West, recent growth in new jobs has been concentrated in occupations requiring intermediate and higher level skills. Employment forecasts by occupational category suggest significant demand for Level 3 or higher qualifications, particularly in the Associate Professional and Professional occupational categories.

Currently, the North West has a deficit in intermediate and high level skills when compared to England. If the qualification profile of the North West working age population was in-line with the England average, the region would currently have an additional 80,000 people with higher level qualifications. In Lancashire, achieving parity with the UK at NVQ Level 4 would require an additional 12,000 people qualified at this level.

The National Employer Skills Survey 2005 indicates that recruitment difficulties in the North West are most prevalent in Skilled Trades and Associate Professional occupations, where intermediate (Level 3) and high level skills will typically be required. Sector level qualitative evidence tends to highlight skills gaps at intermediate and higher levels. This reflects the forward looking nature of these studies and the projected expansion in jobs that require higher skills levels, to support value-added corporate strategies in an increasingly competitive global market place.

There is a strong sector dimension to intermediate and higher skills needs, with significant demand from the regions high growth sectors. Specific examples taken from the RES include: Energy and Environmental Technologies - deliver the National Nuclear Skills Academy; Advanced Engineering & Materials - extend "Grow Your Future Workforce" which delivers more science and engineering skills; Digital and Creative Industries - digital content development skills to support the Media Enterprise

Zone, linked to the BBC relocation; and Business and Professional Services - support the development of the regional arm of the Financial Services National Skills Academy.

10.2 Demand

In the Regional Strategic Analysis, we derive estimates of the region-wide demand for people with Level 4 qualifications by sector – both expansion and replacement demand.

In the North West as a whole, the greatest potential demands for Level 4 qualified people by sector are as follows:

- Health & Social Care – additional 7,309 Level 4 employees per annum;
- Financial Services - additional 9,011 Level 4 employees per annum; and
- Education - additional 8,652 Level 4 employees per annum.

As well as needing to recruit people with Level 4 attainment, these and other sectors will need to source training at Level 4 – often Continuous Professional Development for professional staff.

10.3 Supply

We are interested in the extent to which provision is available at Level 4 for adults.

The LSC funds a number of learners to study Level 4 learning aims within FE, but volumes are generally small. The table below shows that the number of Level 4+ courses taken by residents in the sub-region in 2005/06.

Participation in FE at Level 4 in 2005/06 (Adults and Young People, Short and Long Courses)

Lancashire	Level 4+
Agriculture, Horticulture and Animal Care	14
Arts, Media and Publishing	34
Business, Administration and Law	720
Construction, Planning and the Built Environment	32
Education and Training	372
Engineering and Manufacturing Technologies	23
Health, Public Services and Care	597
History, Philosophy and Theology	1
Information and Communication Technology	26
Languages, Literature and Culture	15
Leisure, Travel and Tourism	6
Preparation for Life and Work	11
Retail and Commercial Enterprise	26
Science and Mathematics	5
Social Sciences	2
Unknown	8
Total	1,892

Source: LSC

The success rate of those undertaking this Level of study through long courses (64%) is slightly higher than the national average (61%).

Long course success rates (Level 4+ Courses) 2004/05

Sector Subject area	Attainment		% pts gap with
	England 2004	Lancs 2004	England
Agriculture, Horticulture and Animal Care	62%	63%	1%
Arts, Media and Publishing	67%	68%	1%
Business, Administration and Law	61%	64%	3%
Construction, Planning and the Built Environment	50%	70%	20%
Education and Training	70%	72%	2%
Engineering and Manufacturing Technologies	63%	65%	2%
Health, Public Services and Care	65%	68%	3%
History, Philosophy and Theology	52%	55%	3%
Information and Communication Technology	48%	48%	0%
Languages, Literature and Culture	64%	66%	2%
Leisure, Travel and Tourism	63%	57%	-5%
Preparation for Life and Work	63%	75%	12%
Retail and Commercial Enterprise	62%	63%	1%
Science and Mathematics	66%	65%	-1%
Social Sciences	59%	63%	5%
Unknown	15%	0%	-15%
Total	61%	64%	3%

Source: LSC

Many larger employers will have their own in-house training courses for Level 4 provision, focusing on higher level technical, leadership, and management skills. For smaller employers, there is a need to access relevant provision within public or private providers.

As can be seen in the table below, Lancashire has two sizeable universities which provide a substantial number of part-time learning opportunities.

North West: All Full Time and Part Time HE Provision by Institution, 2004/05

	First Degree		Other Undergraduate		Post graduate		All Students
	Full Time	Part time	Full Time	Part time	Full Time	Part time	
The University of Manchester	22,300	850	1,785	4,025	6,155	4,870	39,985
The Manchester Metropolitan University	20,810	1,895	1,040	2,260	2,330	3,885	32,215
The University of Central Lancashire	11,975	1,890	3,500	6,295	1,035	2,030	26,725
Liverpool John Moores University	12,795	2,405	1,635	2,265	1,325	2,530	22,955
The University of Liverpool	13,245	660	120	2,885	1,860	2,440	21,210
The University of Salford	10,000	995	2,855	1,990	1,415	2,850	20,100
The University of Lancaster	8,120	30	70	5,570	1,760	1,785	17,340
Edge Hill College of Higher Education	3,975	600	1,500	4,185	640	3,720	14,620
University of Chester	4,625	815	1,980	2,630	445	2,015	12,510
St Martin's College	3,630	645	885	3,840	725	2,625	12,355
Liverpool Hope University	4,080	905	240	585	775	1,085	7,670
The University of Bolton	2,570	1,150	765	1,480	595	915	7,475
Cumbria Institute of the Arts	945	25	25	15	0	40	1,045
Royal Northern College of Music	375	0	30	0	150	0	555

Source: North West Universities Association